

K n o x v i l l e
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Growth Policy Plan

Recommendations
of the
Growth Policy
Coordinating Committee
to the
Knoxville City Council,
Farragut Board of Aldermen,
and Knox County Board
of Commissioners

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January 12, 2000

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TABLE OF CONTENTS

| | |
|--|----|
| Introduction | 1 |
| Background Information/Local Context | 2 |
| Planning Process | 3 |
| Section 1: Recommended Growth Plan | 5 |
| Growth Policy Map | 5 |
| Policies | 5 |
| Other Recommendations | 8 |
| Section 2: Land Capability Analysis | 11 |
| Land Capability Map | 11 |
| Existing Land Use | 12 |
| Urbanized Land Analysis | 12 |
| Environmental Constraints | 21 |
| Least Constrained Land | 22 |
| Recreational and Wildlife Management Areas | 22 |
| Agricultural Land | 22 |
| Section 3: Development Trends and Projects | 35 |
| Growth of Knoxville | 35 |
| Subdivisions and Building Permits | 35 |
| Historical Population Trends | 35 |
| Population Projections | 35 |
| Projecting Future Land Needs | 35 |
| Projected Needs for Urban/Suburban Land | 37 |
| Section 4: Adopted Plans | 45 |
| Knoxville-Knox County General Plan | 45 |
| Knoxville-Knox County Sector Plans and Knoxville One-Year Plan | 45 |
| Farragut 2004 | 45 |
| Section 5: Cost of Service Provision Analyses | 49 |
| Town of Farragut: Cost of Service Analysis | 49 |
| Inventory and Description of Public Services | 49 |
| Analysis of Public Service Costs | 50 |
| Findings | 51 |
| City of Knoxville: Cost of Service Analysis | 51 |
| Knox County: Cost of Service Analysis | 53 |
| Scenarios | 53 |
| Fiscal Impact Results | 54 |
| Conclusions | 57 |
| Appendix A: Summary of Public Participation | 59 |
| Appendix B: Land Forecast Models | 61 |
| Appendix C: Full Text of Public Chapter 1101 | 69 |
| Appendix D: Growth Policy Plan Land Allocation; Knox County Planned Growth Area Broken Down by Category | 89 |

EXHIBITS

| | | |
|---------|--|----|
| Exhibit | 1: Land Capability Summary | 11 |
| Exhibit | 2: Existing Land Use | 17 |
| Exhibit | 3: Existing Land Use, Developed Land Only | 19 |
| Exhibit | 4: Environmental Constraints | 21 |
| Exhibit | 5: Farms and Farm Land in Knox County, 1954-1997 | 33 |
| Exhibit | 6: Agricultural Zoned Land | 33 |
| Exhibit | 7: Minimum Requirements for Vacant Land Without Environmental Constraints | 37 |
| Exhibit | 8: Average Annual General Funds Results | 54 |
| Exhibit | 9: Average Annual Results from New Growth | 55 |
| Exhibit | 10: Transfer to Funds (\$1,000's) | 56 |
| Exhibit | 11: Average Annual Results With and Without Transfers | 58 |

MAPS

Growth Policy Plan Map follows page 6

| | | |
|-----|--|----|
| Map | 1: Land Capability | 13 |
| Map | 2: Existing Land Use | 15 |
| Map | 3: Pattern of Urbanization | 19 |
| Map | 4: Environmental Constraints | 23 |
| Map | 5: Least Constrained Land | 25 |
| Map | 6: Sanitary Sewer Service | 27 |
| Map | 7A: Recreational and Wildlife Management Areas | 29 |
| Map | 7B: Agricultural Land | 31 |
| Map | 8: Growth of the City | 39 |
| Map | 9: Residential Subdivisions | 41 |
| Map | 10: Residential Building Permits | 43 |
| Map | 11: Adopted Land Use Plans | 47 |

INTRODUCTION

Public Chapter 1101, the new Tennessee growth management law, requires city and county governments to prepare a 20 year Growth Plan for each county. At a minimum, a growth plan must identify three classifications of land:

- Rural areas. Rural areas are to include land to be preserved for farming, recreation, and other non-urban uses.
- Urban growth boundaries (UGB's). UGB's must be drawn for all cities and towns. The land within the UGB must be reasonably compact but adequate to accommodate all of the city's expected growth for the next 20 years.
- Planned growth areas (PGA's). PGA's must be reasonably compact but large enough to accommodate growth expected to occur in unincorporated areas over the next 20 years.

The Knox County Growth Policy Coordinating Committee has been formed pursuant to the new law. The law encourages cities and counties to cooperate in preparation of the plan, and directs the Coordinating Committee to give due consideration to any proposals submitted in a timely manner by the local governments. The Committee has prepared a plan and recommends its adoption by the governing bodies of Knoxville, Knox County and Farragut. Several public meetings and hearings were held to obtain the views of citizens. The recommended plan represents the best efforts of the coordinating committee to prepare a plan that meets the requirements of the law, responds constructively to the proposals submitted by Knox County, Knoxville, Farragut and Oak Ridge, and embodies the input of citizens.

Background Information/ Local Context

TN Public Chapter 1101 applies to all Tennessee counties, with the exceptions of counties with a metropolitan form of government (Davidson) and charter counties where legally binding annexation agreements have been determined to meet the purposes of the law (Shelby). The vast majority of the remaining Tennessee counties are largely rural in character. Knox County's situation is much different. Here are some characteristics that influenced the development growth plan for Knox County:

- Knox County is densely populated, compared to surrounding counties. Based on 1998 U.S. Census Bureau population estimates, Knox County averaged 721 persons per square mile, up from 660 in 1990 and 632 in 1980. The U.S. Census Bureau considers densities of over 1,000 persons per square mile as urban. Surrounding counties have densities ranging from 71 persons per square mile in Grainger County to 211 in Anderson County. (These calculations do not include water area.)
- Despite the relatively dense population, there are only two incorporated municipalities in Knox County, the City of Knoxville and the Town of Farragut.
- Historically, more people lived in incorporated areas until sometime in the 1990's. In 1998, 50% of the population lived in the unincorporated area.
- Knox County and Knoxville have created the Knoxville-Knox County Metropolitan Planning Commission, a regional planning body that provides planning and zoning services to both governments. Farragut has its own Municipal Planning Commission. All three governments have zoning and subdivision ordinances and ongoing comprehensive planning programs which can substantially address the planning and growth management objectives of Public Chapter 1101.
- There are a total of 6 utility districts providing sanitary sewers. Decisions on extension of sanitary sewers are one of the most important tools in managing growth. In Knox County, the decision to extend sanitary sewer service is made by the utility providers, not the City or County government.
- Most of the vacant land in the county is zoned Agriculture (A). This Knox County zoning designation allows a wide range of agricultural uses, but also permits residential development on lots as small as one acre. In contrast, the City of Knoxville's agricultural zone prohibits the creation of new residential lots of less than 10 acres in the City's A-1 (Agriculture) zone.
- Annexation policy, which is at the core of Public Chapter 1101, is a very divisive issue in Knox County.
- About one half of the land in Knox County is vacant or in agricultural uses. Most observers agree that the "easy" land has already been developed, and much of what remains is characterized by steep topography, other environmental limitations, or inadequate infrastructure.

Planning Process

The Growth Policy Coordinating Committee was formed in late 1998. An organizational meeting was held on December 12 of that year. The Committee held 37 additional meetings during 1999, and continued working in 2000. All meetings were open to the public. Three public hearings were held. Public comment sessions were included in many of the other meetings, and in some cases public comment accounted for the majority of the meeting. Several meetings were preceded by a tour of the proposed growth boundaries of different sections of the county, and business meetings, including public comment sessions, were then held at public locations in the areas studied. In addition to the Coordinating Committee's public meetings, at least 26 additional meetings, all open to the public, were held by Knox County, Knoxville and Farragut.

One of the early meetings included a briefing by Metropolitan Planning Commission staff on development trends, adopted plans, and concepts contained in Public Chapter 1101. A number of subsequent meetings featured testimony by various providers of public services and facilities, including utility districts, public safety officials, city and county departments, and Town of Farragut staff.

The Committee received growth plan proposals from the Knox County Commission, the Knox County Executive, the Town of Farragut, the City of Knoxville, and the City of Oak Ridge. Oak Ridge is located in Anderson County. The Oak Ridge proposal, which included about 1,000 acres of the Solway community in the Oak Ridge urban growth boundary (UGB), was voted down quickly. Farragut's proposal, which included an urban growth boundary of less than one square mile, was approved. The remaining three proposals were very far apart on the issue of Knoxville's urban growth boundary. County Commission proposed no urban growth

boundaries and would limit rural areas to selected public properties. The County Executive's proposal limited Knoxville to 3 square miles of new development within the urban growth boundary and 9 square miles of infill within the existing city. In contrast, the City of Knoxville's initial UGB proposal included 39 square miles of vacant land for new development and a total area, including already developed land, of 116 square miles, eventually more than doubling the size of the City.

The Committee went through a process of reviewing different combinations of densities, housing types, population projections and market adjustment factors (*explained in Section 3*). They eventually endorsed a minimum 16 square miles of vacant, environmentally unconstrained land in the urban growth boundary for Knoxville and a minimum 23 square miles of vacant unconstrained land in the Knox County planned growth area.

Next, alternative maps were prepared, showing proposed urban growth boundaries, planned growth areas, and rural areas. Several refinements and compromises were made. The map and policies were finalized after two public hearings in mid December.

The remainder of this report consists of four parts. **Section 1, *The Growth Policy Plan***, presents goals, policies, a Growth Policy Map, and other recommendations. **Section 2, *Land Capability Analysis***, contains maps and exhibits that show the remaining supply of developable land. This section also provides background information regarding land use and environmental constraints. **Section 3, *Development Trends and Projections***, summarizes development and population trends, and presents projections of future land requirements. **Section 4** summarizes relevant plans adopted by local governments. **Section 5** summarizes the cost of service provision analyses for Farragut, Knoxville and Knox County. **The Appendices** include various technical background data and a summary of the public participation process.

SECTION 1

Recommended Growth Plan

The Knox County Growth Policy Coordinating Committee worked for over a year to develop a plan that complies with Public Chapter 1101, Tennessee's annexation and growth management law. This plan, which the Coordinating Committee has recommended for adoption by the governing bodies of Knox County, Knoxville and Farragut, is the result of careful consideration of proposals put forward by the three local governments, citizens, community groups and business people. The plan is based on the requirements of Public Chapter 1101; a thorough analysis of existing conditions and trends in land use, population and the natural environment; and input by citizens and detailed testimony by a wide variety of governmental service providers, including city and county departments, utility districts, emergency services and the school board.

This section contains the policy recommendations of the coordinating committee, presented in written and graphic form. The remaining sections of the document provide background information used to develop the plan.

Growth Policy Map

The Growth Policy Map (*follows page 6*) shows the recommended Rural and Planned Growth Areas for unincorporated portions of Knox County and Urban Growth Boundaries for Farragut and Knoxville. Knoxville's Urban Growth Boundary contains 47.5 square miles; Farragut's Urban Growth Boundary contains one square mile; the Planned Growth Area contains 147 square miles; and the Rural Area contains 216 square miles (*see Appendix D for more details and percentages*).

Goals

The following goals have been adapted from TN Public Chapter 1101:

- In conjunction with the comprehensive plans of Knoxville, Knox County and Farragut, provide a unified physical design for the development of the local community;
- Encourage a pattern of compact and contiguous development to be guided into urban areas and planned growth areas;
- Establish an acceptable and consistent level of public services and community facilities and ensure timely provision of those services and facilities;
- Promote the adequate provision of employment opportunities and the economic health of the region;
- Conserve features of significant statewide or regional architectural, cultural, historical, or archaeological interest;
- Protect life and property from the effects of natural hazards, such as flooding;
- Take into consideration such other matters that may be logically related to or form an integral part of a plan for the coordinated, efficient and orderly development of the local community; and
- Provide for a variety of housing choices and assure affordable housing for future population growth.

Policies

1. The Rural, Planned Growth, and Urban Growth Boundary designations of this plan shall not impair the rights of a landowner to lawfully use property in accordance the provisions of the Zoning Ordinances of Knoxville, Knox County and Farragut.
2. Rezoning decisions shall be consistent with the Growth Plan Map and policies.
3. The following policies shall apply in the Rural Area:
 - 3.1 The Knox County Zoning Ordinance and Zoning Map shall determine land uses permitted in the Rural Area. The rural designation shall not impede the right of a property owner to use or develop the property for a purpose permitted by that property's zoning. A land use listed in the

Zoning Ordinance as a “use on review” may be approved by the Planning Commission if they find that the proposed development complies with all applicable standards in ordinance.

- 3.2 Rezoning within the Rural Area shall be limited to the following zoning districts: Agricultural (A), Estate (E), Open Space (OS), Floodway (F), Planned Residential (PR at densities up to two (2) dwelling units per acre based on the site’s environmental characteristics and Health Department determination of septic system capability (with exceptions noted in #3.3 & #3.5 below), Transition (T), Historic Overlay (H), Planned Commercial (PC), subject to the conditions listed below in #3.4, and Light Industrial (LI) and (I), subject to the conditions listed below in #3.6. By February 1, 2001, MPC shall deliver recommended text of new Planned Business/Industrial Park, Neighborhood Commercial and Rural Community Commercial zoning districts to County Commission for legislative action. Upon the enactment of these zoning district regulations, these new zones shall replace the PC, LI and I zones in the preceding list of zones.
- 3.3 Rezoning on slopes of 25 percent or more shall be limited to the following zoning districts: Open Space (OS), Estate (E) and Planned Residential (PR) at densities of one (1) dwelling unit per two or more acres. Rezonings on slopes of 15 to 25 percent shall be limited to zoning districts which have a minimum one (1) acre lot size; Agriculture (A), Estate (E), Open Space (OS), and Planned Residential (PR) on lots of one (1) or more acres are appropriate.
- 3.4 In rural areas, rezoning to Planned Commercial (PC) shall only be approved for commercial uses or services needed to serve rural area residents, such as food markets, convenience stores, gasoline service stations and professional or business offices. A site plan shall be reviewed and approved by the Metropolitan

Planning Commission concurrently with any rezoning to Planned Commercial in the Rural Area. Such commercial facilities and rezoning shall be consistent with the Sector Plans adopted by the planning commission.

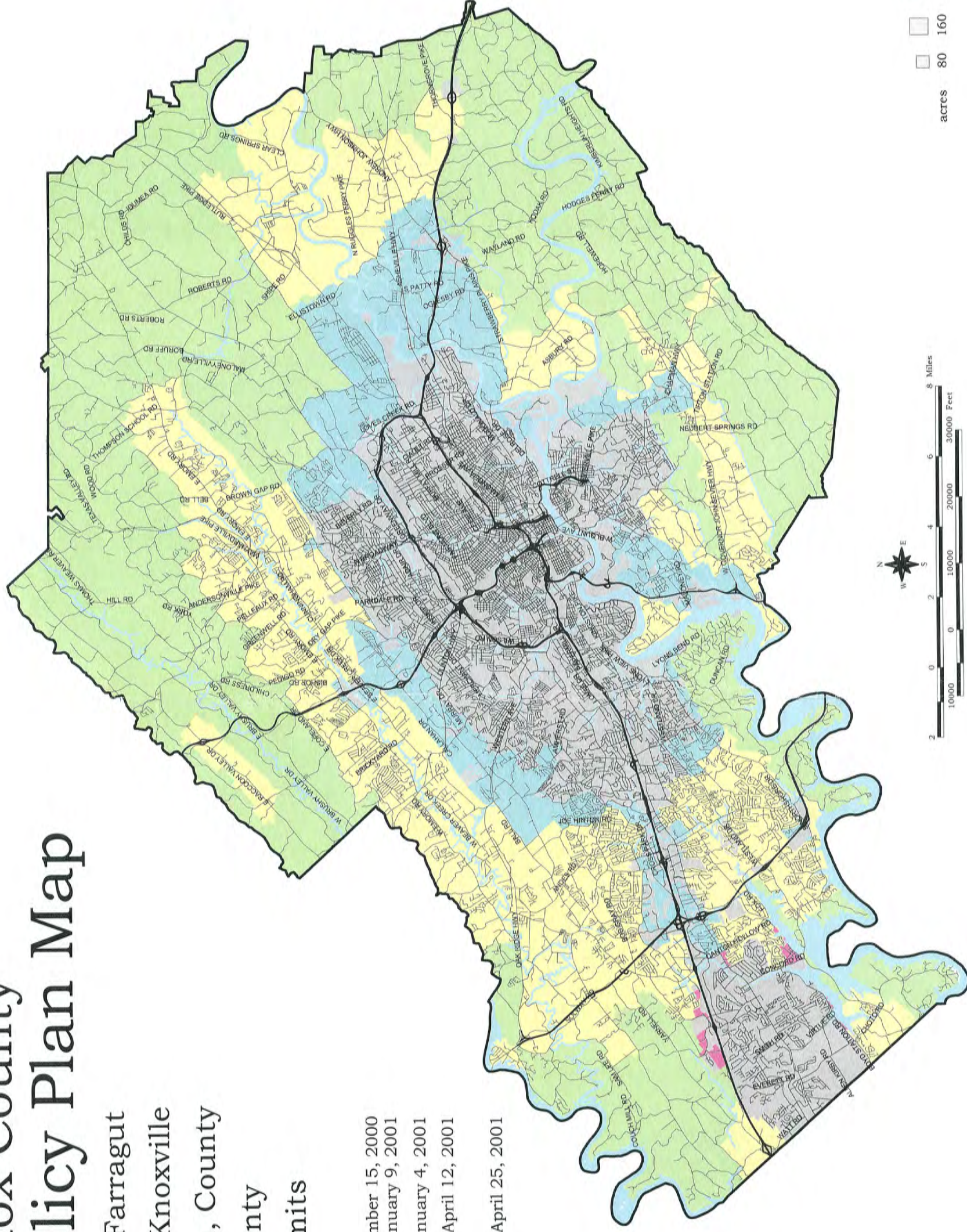
- 3.5 Extensions of low density residential development (densities of 1 to 3 dwelling units per acre) into the rural area shall be limited to the following conditions: (a) the property must be zoned Planned Residential (PR); (b) provision of sanitary sewer and public water services; (c) connecting collector and arterial roads from the proposed development to the Urban Growth Boundary or Planned Growth Area which meet the standards of the Knox County Engineering and Public Works Department or its successor; and (d) a traffic impact analysis demonstrating to the satisfaction of the planning commission that the effect of the proposed and similar developments in the traffic analysis zone will not unreasonably impair traffic flow along the arterial roads through the adjacent Planned Growth Area. The intent of this section is to allow extensions of low density residential development into rural areas when urban services (sanitary sewer, water, and adequate roads) become available. These areas should be reclassified “Planned Growth” when the growth plan is periodically revised and amended.
- 3.6 Land within the Rural area may be rezoned for business parks or industries only under the following conditions:
 - a.) The rezoning is consistent with the applicable Sector Plan. The Sector Plan may be amended upon recommendation of the Metropolitan Planning Commission in accordance with provisions of state law regarding adoption and amendment of regional plans.
 - b.) Wetlands, floodways, streams, or hillside lands with pre-development slopes of 16 % or greater, as defined in Section 82-30 of the Knoxville-Knox County Subdivision

Knoxville-Knox County Growth Policy Plan Map

- Urban Growth, Farragut
- Urban Growth, Knoxville
- Planned Growth, County
- Rural Area, County
- Existing City Limits

Adoption Dates:

| | |
|--|-------------------|
| Knoxville City Council: | December 15, 2000 |
| Readoption with Revision: | January 9, 2001 |
| Knox County Commission: | January 4, 2001 |
| Farragut Board of Mayor and Alderman: | April 12, 2001 |
| Tennessee Local Planning Advisory Committee: | April 25, 2001 |



Print Date: April 27, 2001

GROWTH POLICY
COORDINATING COMMITTEE

Map produced by the
MPC
METROPOLITAN
PLANNING
COMMISSION

Regulations shall not be rezoned for industrial or commercial use.

- c.) The rezoning application must include deed restrictions which specify permitted land uses and to create design standards for landscaping, architecture, drainage, utilities and transportation access. These restrictions shall be similar to those recorded for East bridge Business Park and in effect as of December 1, 1999. If the rezoning is approved, these deed restrictions, with any changes required by the Planning Commission or County Commission, shall be filed prior to approval of the rezoning by County Commission.
- d.) In the event that the Knox County Commission adopts zoning regulations permitting conditional zoning, approval of a conditional rezoning subject to the above referenced standards may substitute for the filing of deed restrictions.
- e.) These areas shall be reclassified "Planned Growth" when the growth plan is periodically revised and amended.

4. In Planned Growth Areas, the following policies shall apply:

- 4.1 The purposes of the Planned Growth Area designation are to encourage a reasonably compact pattern of development, promote expansion of the Knox County economy, offer a wide range of housing choices, and coordinate the actions of the public and private sectors, particularly with regard to provision of adequate roads, utilities, schools, drainage and other public facilities and services.
- 4.2 Planned Growth Areas may include any land use or development permitted by the Knox County Zoning Ordinance.
- 4.3 Rezoning in the Planned Growth Area shall be consistent with the applicable Sector Plan adopted by the Metropolitan Planning Commission.

4.4 After receiving a recommendation from the Planning Commission, the County Commission may amend the Sector Plan if it finds that there has been a change in conditions warranting the amendment.

4.5 The purposes of the Planned Growth Area designation are to encourage a reasonably compact pattern of development, promote expansion of the Knox County economy, offer a wide range of housing choices, and coordinate the actions of the public and private sectors, particularly with regard to provision of adequate roads, utilities, schools, drainage and other public facilities and services.

5. In Urban Growth Boundaries, the following policies shall apply:

5.1 The purposes of the Urban Growth Boundary designation are to encourage a reasonably compact pattern of development, promote expansion of the Knoxville-Knox County economy, offer a wide range of housing choices, and coordinate the actions of the public and private sectors, particularly with regard to provision of adequate roads, utilities, schools, drainage and other public facilities and services.

5.2 In Urban Growth Boundaries, any land use permitted in the Zoning Ordinance of the appropriate jurisdiction shall be permitted, subject to all requirements of that jurisdiction. Rezoning in the Urban Growth Boundaries shall be consistent with the applicable Sector Plan adopted by the Metropolitan Planning Commission or the Farragut Land Use Plan, as appropriate or one created hereafter in Knox County under provisions of state law.

6. No municipalities other than Farragut, Knoxville or one created under provisions of state law will be allowed to designate urban growth boundaries in Knox County.

7. Official determinations of the location of the Urban

Growth Boundaries, Planned Growth Area boundaries, or Rural Area boundaries shall be made by the chief zoning enforcement officer of Farragut, Knoxville and Knox County, as appropriate, using the following standards:

- 7.1 Boundaries which appear to follow lot, parcel or property lines on the Official Growth Plan map shall be interpreted to coincide with such lines. If a lot or parcel appears to be split by a boundary, then its classification shall be determined as being the classification which accounts for the largest percentage of area within the lot or parcel. For example, if a parcel is split by the boundary between a rural area and a planned growth area, and the majority of the parcel is in the rural area, then the entire parcel shall be classified as rural.
- 7.2 Boundaries which appear to follow roads or railroads shall be interpreted to coincide with the right of way lines. When a section of road or railroad right of way abuts an urban growth boundary, that section of right of way shall be designated as being entirely within that urban growth boundary*. A section of right of way abutting both a planned growth area and a rural area shall be designated as being entirely within the planned growth area.
- 7.3 When an urban growth boundary appears to follow a body of water designated by a solid or intermittent blue line on the most recently published United States Geological Survey (USGS) topographic quadrangle map, then all of that portion of the waterway contiguous to the boundary shall be designated as being entirely within the urban growth boundary.
- 7.4 When there is uncertainty as to the location of an urban growth boundary then the planning commission with jurisdiction over the boundary creating the uncertainty shall determine the location of the boundary.

*In the adopted plan, dated January 12, 2000, there are two exceptions to this provision: (1) Lyons Bend Road, south of Northshore Drive and (2) Dutchtown Road is not included in the Urban Growth Boundary.

Other Recommendations

These recommendations address significant policy issues raised during the Coordinating Committee's yearlong planning process:

- 1 A standing Growth Policy Coordinating Committee should be in place at all times, so that, if the plan is to be amended, time will not be lost making appointments.
- 2 The *Growth Policy Plan* should be periodically reviewed and, if warranted by changed conditions, amended. This review should occur every 3 years, beginning with the third anniversary of the effective date of the Plan.
- 3 The Knox County Joint Economic and Community Development Board required by Public Chapter 1101 should be utilized to coordinate an economic development strategy that will guide the Knoxville-Farragut-Knox County community in presenting a unified front in the economic development arena.
- 4 Regulatory obstacles to "smart growth" should be identified and addressed.
 - 4.1 The City of Knoxville's recent adoption of a Traditional Neighborhood Development Ordinance, which allows developers to create compact, pedestrian oriented, mixed-use neighborhoods as an alternative to suburban sprawl, is an example. Other possible regulatory reform initiatives include:
 - 4.2 Incentives to encourage rural cluster development, whereby rural landscape features are preserved by allowing concentration of development on a relatively small part of a rural site. This could be based on a modified form of the existing Open Space (OS) zoning district.
 - 4.3 Reduced parking requirements for developments that are designed to encourage pedestrian, transit, or bicycle transportation.
 - 4.4 A review of zoning ordinances and adopted plans to identify other opportunities to incorporate smart growth principles.

5. One of the most effective approaches for reducing urban sprawl could be to further revitalize the inner city, as proposed in the *Heart of Knoxville Empowerment Zone Plan*.
6. Environmental resources.
 - 6.1 Local zoning ordinances should be revised to include overlay zones or site plan review provisions that would create and enforce environmentally sound standards for development on hillsides or other steeply sloping lands. Hillside protection ordinances (a) to limit the intensity of new development on hillsides, and (b) to preserve trees and ground cover as part of development processes. These regulations are needed to manage forest resources during development, protect habitat, prevent erosion, preserve aesthetic resources, maintain water quality and avoid flooding.
 - 6.2 Erosion and sediment control regulations should be strictly enforced.
 - 6.3 Water quality issues should be addressed at the watershed level. If a watershed is split by city/county boundaries, intergovernmental agreements should be formulated to ensure a cooperative approach to watershed management. Storm water runoff “best management practices”, such as retention of natural vegetation as buffers along streams, should be utilized.
 - 6.4 Greenways have been proposed along many streams and floodways. Consideration should be given to the annual use of a portion of local tax revenue to acquire greenway space and to serve as a match to other funds available for this purpose.
 - 6.5 Springs often form the head waters of many tributaries. They have some of the most pristine water that can be found in Knox County. As such they are occasionally used as well heads and have unique biological habitat. The local governments should identify and map springs and develop standards to protect them, including prohibition of chemical applications and the conservation of natural vegetation within a reasonable distance of springs.
 - 6.6 The Karst terrain of Knox County, created by limestone and dolomite geologic formations, is characterized by sinkholes and caverns. The local governments should continue to work with the Federal Emergency Management Agency to identify the flood limits around sinkholes. In areas known to be subject to flooding, regulations should be put in place to have a hydrologist or engineer map the potential flood areas so that the habitable portions of buildings can be kept out of harm’s way.
 - 6.7 The local governments should work with state and federal biologists to identify where there are critical habitats for endangered species and develop local programs to set aside open space in those areas.
7. Significant wetlands should be mapped and protected through zoning regulations.
8. Regional planning efforts, such as the Regional Transportation Alternatives Committee (RTAC) and Nine Counties, One Vision projects should be encouraged and supported.

SECTION 2

Land Capability Analysis

Land Capability Map

MPC staff has prepared an analysis of Knox County's land resources. **Map 1, *Land Capability***, shows 3 categories of land:

Least Constrained Land/Sewered. Land that is vacant, free of significant environmental constraints, and has ready access to existing sanitary sewer lines. This category of land is generally the most logical for future development. It is also generally contiguous to the existing urbanized area. This is important because of Public Chapter 1101's emphasis on compact development patterns and containment of urban sprawl.

Least Constrained/ Not Sewered. Land that is vacant, free of significant environmental constraints, but does not have ready access to existing sanitary sewer lines. Even if all of the Category 2 land is allocated to Urban Growth boundaries and Planned Growth Areas, some of the Category 3 lands will have to be included in the UGB's and PGA's to provide adequate land development alternatives.

Other Land. Land that is not considered available for future development because it is already developed or because it is subject to significant environmental constraints.

Exhibit 1 shows the acreages of each of the three categories of land in Knox County and the two municipalities as of January 1998. The next several subsections describe the inventories of land use and environmental data that were used in compiling the Land Capability map.

EXHIBIT 1

| Land Capability Summary | | | |
|--------------------------------|--------------------|---------------------|-----------------------------|
| | <i>Acreage</i> | <i>Square Miles</i> | <i>Percent of Land Area</i> |
| Knox County (Total) | | | |
| Vacant Land | 173,388.800 | 270.920 | 51.506 |
| Vacant with No Constraints | 108,186.880 | 169.042 | 32.137 |
| Sewered | 31,143.358 | 48.661 | 9.251 |
| Not Sewered | 77,043.522 | 120.381 | 22.886 |
| Vacant with Constraints | 65,201.920 | 101.878 | 19.368 |
| All Knox County Land | 336,640.000 | 526.000 | |
| City of Knoxville | | | |
| Vacant Land | 10,899.840 | 17.031 | 17.457 |
| Vacant with No Constraints | 6,785.920 | 10.603 | 10.868 |
| Sewered | 6,014.513 | 9.398 | 9.633 |
| Not Sewered | 771.407 | 1.205 | 1.235 |
| Vacant with Constraints | 4,113.920 | 6.428 | 6.589 |
| All Knox County Land | 62,438.400 | 97.560 | |
| Farragut | | | |
| Vacant Land | 4,473.600 | 6.990 | 43.122 |
| Vacant with No Constraints | 3,729.280 | 5.827 | 35.947 |
| Sewered | 3,726.826 | 5.823 | 35.923 |
| Not Sewered | 2.454 | 0.004 | 0.024 |
| Vacant with Constraints | 744.320 | 1.163 | 7.175 |
| All Knox County Land | 10,374.400 | 16.210 | |

Existing Land Use

Knox County is approximately 526 square miles in area. One half of this land is in vacant or agricultural use. Another 10 percent consists of rural residential development on parcels of two to ten acres in size. About 3 percent of the county is used for business purposes (office, commercial, wholesale and industrial land uses). Ten percent of the county consists of public rights of way, primarily for streets, highways, and railroads.

Knoxville's land use profile is much different than the county as a whole. Knoxville's total land area is approximately 100 square miles. Only 16 percent of the city is classified vacant or agricultural, and only 4 percent is in rural residential use. Seventeen percent of Knox County is in single-family residential use. About 12.5 percent of the city consists of public (government buildings, park land, schools, etc.) and quasi public (churches, hospitals, cemeteries, private recreation) uses. Twenty-five percent of the city is devoted to single-family residential development. Almost 10 percent of Knoxville's land is used for business purposes. Most of Knoxville's vacant land consists of individual vacant lots and parcels that have not been developed due to environmental limitations. With the exception of the Northwest City planning sector, most development opportunities are limited to "infill" on small sites or redevelopment of previously urbanized properties. In the Northwest Sector, there are still a few "green field" development opportunities. In recent years, this sector has had more new development than other parts of the city due to its larger supply of vacant sites. Separate existing land use statistics are currently unavailable for the town of Farragut.

Map 2, *Existing Land Use*, shows the general distribution of land uses. **Exhibit 2** summarizes the land use statistics. **Exhibit 3** is of particular interest because it shows developed land only. When vacant and agricultural lands are excluded, we can get an idea of the development pattern that will extend out into the unincorporated county over the next twenty years. For example, while 16 percent of Knox County's total land area is developed as single family residential, almost 36 percent of the county's developed land is single family residential. The exhibit also shows that, in the unincorporated part of Knox County, rural residential and single-family residential land accounts for two-thirds of the developed area.

Urbanized Land Analysis

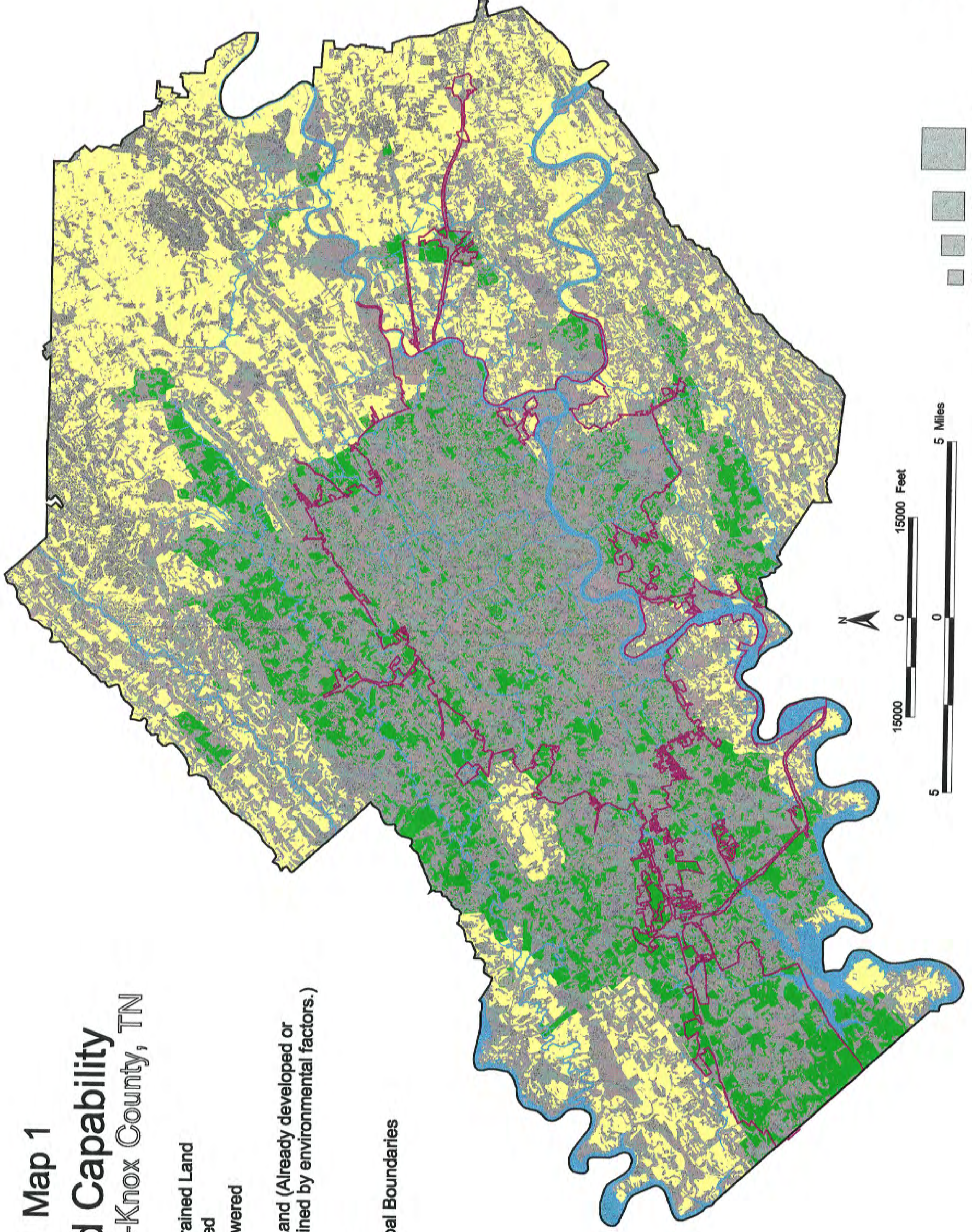
Map 3, *Pattern of Urbanization*, presents a simplified picture of the land use pattern as a first step in identifying future urban growth boundaries, planned growth areas, and rural areas.

Map 1

Land Capability

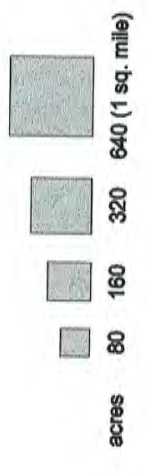
Knoxville-Knox County, TN

- Least Constrained Land
 - Sewered
 - Not Sewered
- Other Land (Already developed or constrained by environmental factors.)
- Water
- Municipal Boundaries



15000 0 15000 Feet

5 0 5 Miles



Map 2 Existing Land Use (January 1, 1998) Knoxville-Knox County, TN

- Rural Residential
- Single Family Residential
- Multifamily Residential
- Commercial
- Office
- Industrial (Manufacturing)
- Transportation/Communications/Utilities
- Public/Quasi Public Land
- Agriculture/Forestry/Vacant Land
- Public Parks
- Private Recreation
- Under Construction/Other Uses
- Unknown Land Uses
- Lakes and Rivers
- Roads
- Railroads
- Municipal Boundaries

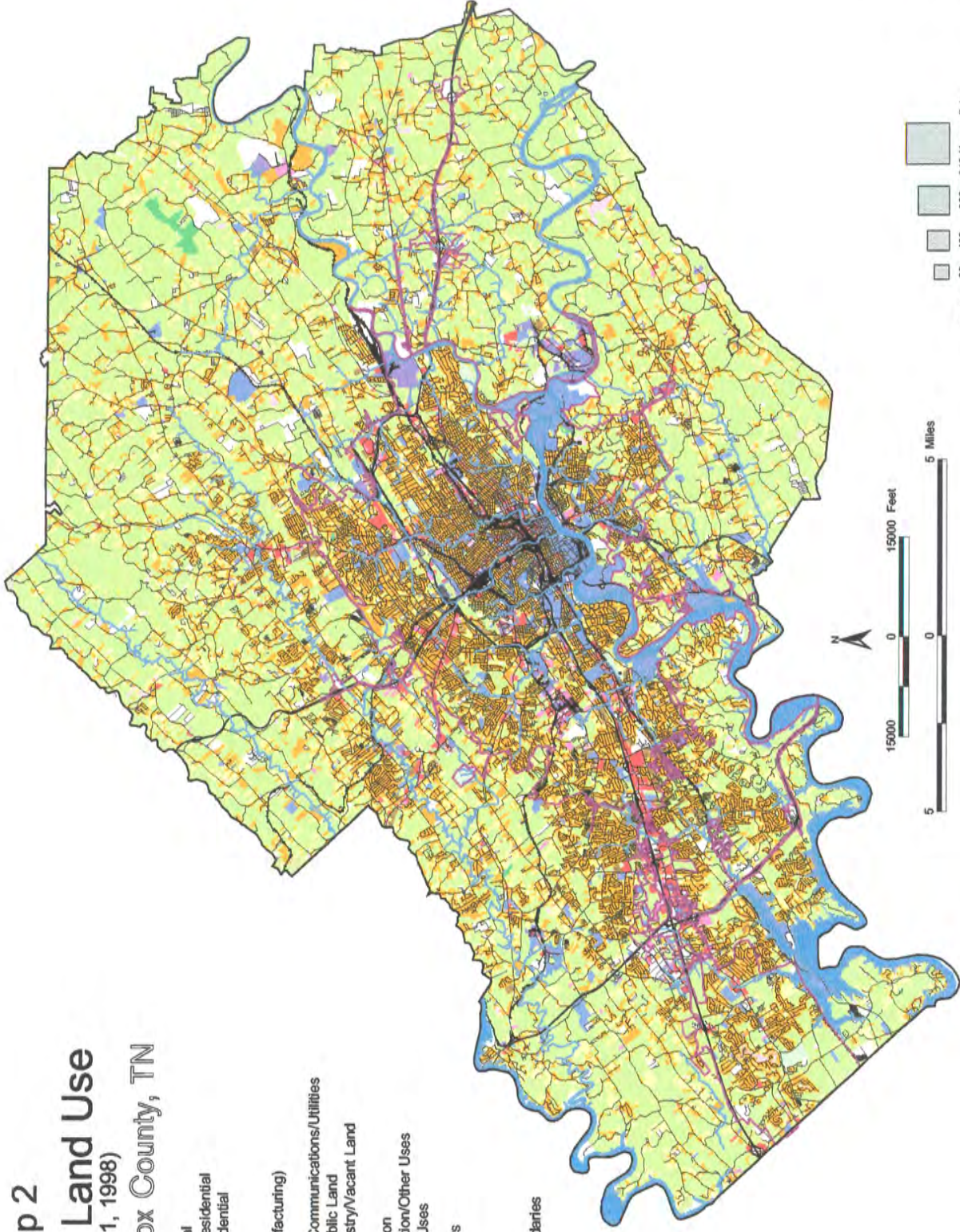


EXHIBIT 2

Existing Land Use

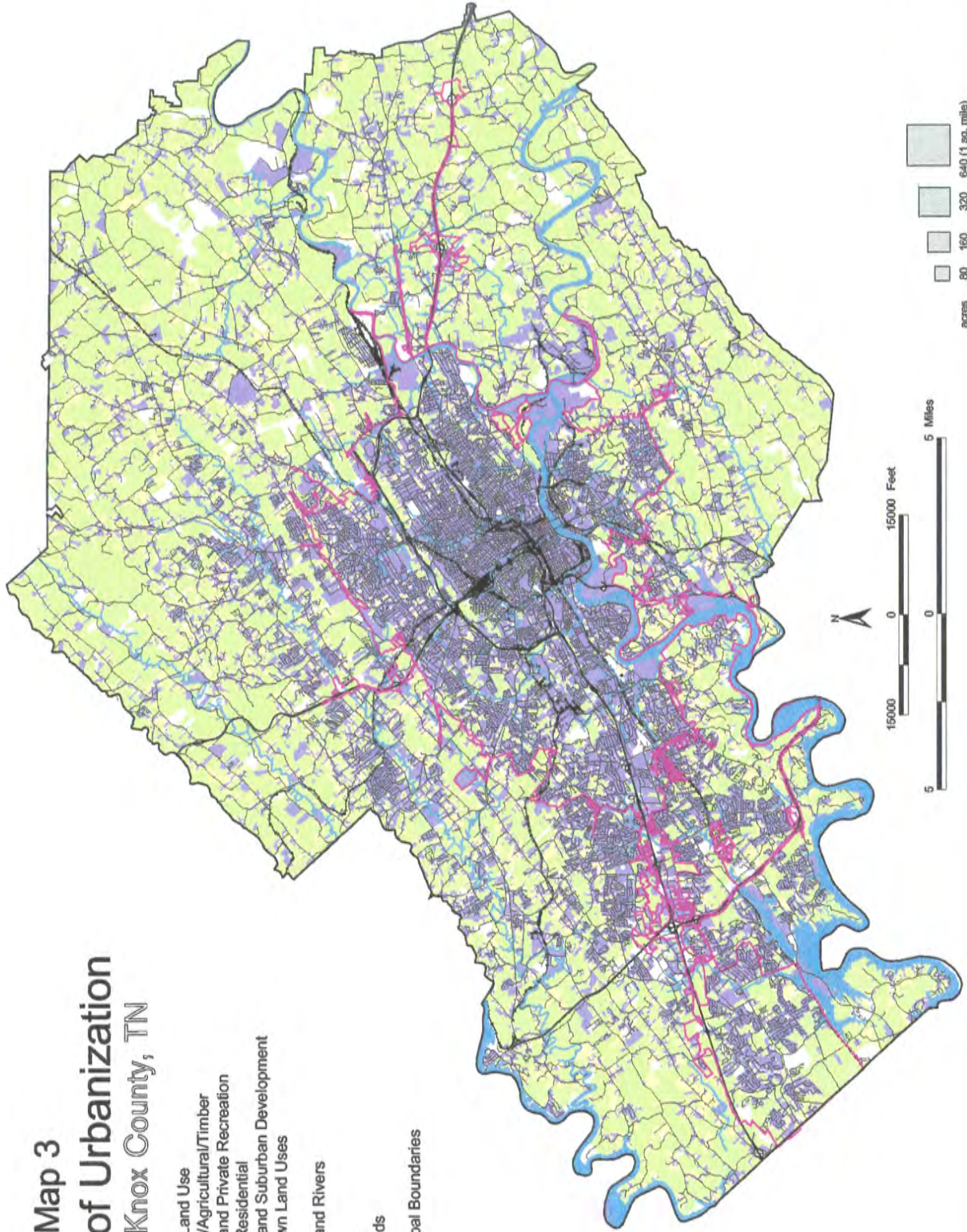
| | <i>Acreage</i> | <i>Square Miles</i> | <i>Percent of Total</i> | <i>Square Miles per 1000 Population</i> |
|---|--------------------|---------------------|-------------------------|---|
| Knox County (Total) | | | | |
| Agriculture/Forestry/Vacant Land | 173,388.800 | 270.920 | 51.506 | 0.739 |
| Parks, Recreation | 4,117.760 | 6.434 | 1.223 | 0.018 |
| Public/Quasi-Public Land | 11,504.640 | 17.976 | 3.417 | 0.049 |
| Rural Residential | 34,297.600 | 53.590 | 10.188 | 0.146 |
| Single Family Residential | 58,015.360 | 90.649 | 17.234 | 0.247 |
| Multifamily Residential | 4,113.280 | 6.427 | 1.222 | 0.018 |
| Office | 2,367.360 | 3.699 | 0.703 | 0.010 |
| Commercial | 5,077.120 | 7.933 | 1.508 | 0.022 |
| Industrial | 3,015.040 | 4.711 | 0.896 | 0.013 |
| Other Private/Business Uses | 3,821.440 | 5.971 | 1.135 | 0.016 |
| Water | 10,641.280 | 16.627 | 3.161 | 0.045 |
| Rights-Of-Way | 26,280.320 | 41.063 | 7.807 | 0.112 |
| Total | 336,640.000 | 526.000 | 100.000 | 1.434 |
| Knox County Balance (Excluding City of Knoxville and Town of Farragut) | | | | |
| Agriculture/Forestry/Vacant Land | 158,015.960 | 246.900 | 59.894 | 1.337 |
| Parks, Recreation | 1,961.160 | 3.064 | 0.743 | 0.017 |
| Public/Quasi-Public Land | 4,655.560 | 7.274 | 1.765 | 0.039 |
| Rural Residential | 31,745.280 | 49.602 | 12.033 | 0.269 |
| Single Family Residential | 37,633.140 | 58.802 | 14.264 | 0.318 |
| Multifamily Residential | 1,858.920 | 2.905 | 0.705 | 0.016 |
| Office | 917.720 | 1.434 | 0.348 | 0.008 |
| Commercial | 1,841.880 | 2.878 | 0.698 | 0.016 |
| Industrial | 1,586.560 | 2.479 | 0.601 | 0.013 |
| Other Private/Business Uses | 2,155.260 | 3.368 | 0.817 | 0.018 |
| Water | 7,318.400 | 11.435 | 2.774 | 0.062 |
| Rights-Of-Way | 14,137.480 | 22.090 | 5.359 | 0.120 |
| Total | 263,827.320 | 412.230 | 100.000 | 2.232 |
| City of Knoxville | | | | |
| Agriculture/Forestry/Vacant Land | 10,899.840 | 17.031 | 17.457 | 0.103 |
| Parks, Recreation | 1,557.000 | 2.433 | 2.494 | 0.015 |
| Public/Quasi-Public Land | 6,522.880 | 10.192 | 10.447 | 0.062 |
| Rural Residential | 2,552.320 | 3.988 | 4.088 | 0.024 |
| Single Family Residential | 16,939.520 | 26.468 | 27.130 | 0.160 |
| Multifamily Residential | 2,130.560 | 3.329 | 3.412 | 0.020 |
| Office | 1,287.040 | 2.011 | 2.061 | 0.012 |
| Commercial | 3,072.640 | 4.801 | 4.921 | 0.029 |
| Industrial | 1,428.480 | 2.232 | 2.288 | 0.013 |
| Other Private/Business Uses | 1,633.280 | 2.552 | 2.616 | 0.015 |
| Water | 3,322.880 | 5.192 | 5.322 | 0.031 |
| Rights-Of-Way | 11,091.840 | 17.331 | 17.764 | 0.105 |
| Total | 62,438.280 | 97.560 | 100.000 | 0.589 |
| Town of Farragut | | | | |
| Agriculture/Forestry/Vacant Land | 4,473.000 | 6.989 | 43.116 | 0.420 |
| Parks, Recreation | 599.600 | 0.937 | 5.780 | 0.056 |
| Public/Quasi-Public Land | 326.200 | 0.510 | 3.144 | 0.031 |
| Rural Residential | 0.000 | 0.000 | 0.000 | 0.000 |
| Single Family Residential | 3,442.700 | 5.379 | 33.185 | 0.323 |
| Multifamily Residential | 123.800 | 0.193 | 1.193 | 0.012 |
| Office | 162.600 | 0.254 | 1.567 | 0.015 |
| Commercial | 162.600 | 0.254 | 1.567 | 0.015 |
| Industrial | 0.000 | 0.000 | 0.000 | 0.000 |
| Other Private/Business Uses | 32.900 | 0.051 | 0.317 | 0.003 |
| Water | 0.000 | 0.000 | 0.000 | 0.000 |
| Rights-Of-Way | 1,051.000 | 1.642 | 10.131 | 0.099 |
| Total | 10,374.400 | 16.210 | 100.000 | 0.973 |

EXHIBIT 3**Existing Land Use, Developed Land Only**

| | <i>Acreage</i> | <i>Square Miles</i> | <i>Percent of Total</i> | <i>Square Miles per 1000 Population</i> |
|--|--------------------|---------------------|-------------------------|---|
| Knox County (Total) | | | | |
| Parks, Recreation | 4,117.760 | 6.434 | 2.698 | 0.018 |
| Public/Quasi-Public Land | 11,504.640 | 17.976 | 7.539 | 0.049 |
| Rural Residential | 34,297.600 | 53.590 | 22.474 | 0.146 |
| Single Family Residential | 58,015.360 | 90.649 | 38.015 | 0.247 |
| Multifamily Residential | 4,113.280 | 6.427 | 2.695 | 0.018 |
| Office | 2,367.360 | 3.699 | 1.551 | 0.010 |
| Commercial | 5,077.120 | 7.933 | 3.327 | 0.022 |
| Industrial | 3,015.040 | 4.711 | 1.976 | 0.013 |
| Other Private/Business Uses | 3,821.440 | 5.971 | 2.504 | 0.016 |
| Rights-Of-Way | 26,280.320 | 41.063 | 17.221 | 0.112 |
| Total | 152,609.920 | 238.453 | 100.000 | 0.650 |
| Knox County (Excluding City of Knoxville) | | | | |
| Parks, Recreation | 1,961.160 | 3.064 | 1.991 | 0.017 |
| Public/Quasi-Public Land | 4,655.560 | 7.274 | 4.727 | 0.039 |
| Rural Residential | 31,745.280 | 49.602 | 32.231 | 0.269 |
| Single Family Residential | 37,633.140 | 58.802 | 38.209 | 0.318 |
| Multifamily Residential | 1,858.920 | 2.905 | 1.887 | 0.016 |
| Office | 917.720 | 1.434 | 0.932 | 0.008 |
| Commercial | 1,841.880 | 2.878 | 1.870 | 0.016 |
| Industrial | 1,586.560 | 2.479 | 1.611 | 0.013 |
| Other Private/Business Uses | 2,155.260 | 3.368 | 2.188 | 0.018 |
| Rights-Of-Way | 14,137.480 | 22.090 | 14.354 | 0.120 |
| Total | 98,492.960 | 153.895 | 100.000 | 0.833 |
| City of Knoxville | | | | |
| Parks, Recreation | 1,557.000 | 2.433 | 3.229 | 0.015 |
| Public/Quasi-Public Land | 6,522.880 | 10.192 | 13.529 | 0.062 |
| Rural Residential | 2,552.320 | 3.988 | 5.294 | 0.024 |
| Single Family Residential | 16,939.520 | 26.468 | 35.133 | 0.160 |
| Multifamily Residential | 2,130.560 | 3.329 | 4.419 | 0.020 |
| Office | 1,287.040 | 2.011 | 2.669 | 0.012 |
| Commercial | 3,072.640 | 4.801 | 6.373 | 0.029 |
| Industrial | 1,428.480 | 2.232 | 2.963 | 0.013 |
| Other Private/Business Uses | 1,633.280 | 2.552 | 3.387 | 0.015 |
| Rights-Of-Way | 11,091.840 | 17.331 | 23.005 | 0.105 |
| Total | 48,215.560 | 75.337 | 100.000 | 0.455 |
| Town of Farragut | | | | |
| Parks, Recreation | 599.600 | 0.937 | 10.160 | 0.056 |
| Public/Quasi-Public Land | 326.200 | 0.510 | 5.528 | 0.031 |
| Rural Residential | 0.000 | 0.000 | 0.000 | 0.000 |
| Single Family Residential | 3,442.700 | 5.379 | 58.337 | 0.323 |
| Multifamily Residential | 123.800 | 0.193 | 2.098 | 0.012 |
| Office | 162.600 | 0.254 | 2.755 | 0.015 |
| Commercial | 162.600 | 0.254 | 2.755 | 0.015 |
| Industrial | 0.000 | 0.000 | 0.000 | 0.000 |
| Other Private/Business Uses | 32.900 | 0.051 | 0.557 | 0.003 |
| Rights-Of-Way | 1,051.000 | 1.642 | 17.809 | 0.099 |
| Total | 5,901.400 | 9.221 | 100.000 | 0.554 |

Map 3 Pattern of Urbanization Knoxville-Knox County, TN

- Generalized Land Use
 - Vacant/Agricultural/Timber
 - Parks and Private Recreation
 - Rural Residential
 - Urban and Suburban Development
 - Unknown Land Uses
- Lakes and Rivers
- Roads
- Railroads
- Municipal Boundaries



Environmental Constraints

As noted earlier, half the county is still vacant or in agricultural use. Not all of this land is available for future urban development. Lands with steep topography (greater than 15 percent slope) generally do not lend themselves to urbanization due to the high cost of engineering and development on severe slopes. Development on steep slopes also creates problems with drainage, erosion, water pollution, stream sedimentation, and aesthetics.

Other severe environmental constraints include sinkhole systems, hydric soils associated with wetlands, and regulatory floodways, which cannot be developed under local and

federal regulations. These features are shown on Map 4, *Environmental Constraints*, and are summarized in Exhibit 4.

Karst terrain is a widespread environmental condition in East Tennessee. Karst terrain is underlain with limestone formations, which are subject to formation of sinkholes, underground caverns, and unpredictable subsurface geology. These areas are also shown on Map 4 as “areas underlain by dolomite and limestone.” With the exception of areas with pronounced sinkhole problems, these lands should not be automatically removed from the pool of developable land. Site-specific analysis may allow engineers to successfully deal with Karst characteristics in the development process.

EXHIBIT 4

| Environmental Constraints | | | |
|---|--------------------|---------------------|------------------------------------|
| <i>Constraint</i> | <i>Acreage</i> | <i>Square Miles</i> | <i>Percent of County Land Area</i> |
| Knox County (Total) | | | |
| 15% to 40% Slope | 76,308.529 | 119.232 | 22.668 |
| > 40% Slope | 7,417.223 | 11.589 | 2.203 |
| Hydric Soils | 4,604.983 | 7.195 | 1.368 |
| Sinks | 12,202.644 | 19.067 | 3.625 |
| Floodway | 13,137.898 | 20.528 | 3.903 |
| All Land | 336,640.000 | 526.000 | |
| Knox County Balance (Excluding City of Knoxville and Town of Farragut) | | | |
| 15% to 40% Slope | 66,692.293 | 104.207 | 25.279 |
| > 40% Slope | 6,724.767 | 10.507 | 2.549 |
| Hydric Soils | 3,380.443 | 5.282 | 1.281 |
| Sinks | 8,977.321 | 13.871 | 3.365 |
| Floodway | 8,986.794 | 14.042 | 3.406 |
| All Land | 263,827.320 | 412.230 | |
| City of Knoxville | | | |
| 15% to 40% Slope | 9,002.855 | 14.067 | 14.419 |
| > 40% Slope | 678.820 | 1.061 | 1.087 |
| Hydric Soils | 951.387 | 1.487 | 1.524 |
| Sinks | 3,153.645 | 4.928 | 5.051 |
| Floodway | 4,150.919 | 6.486 | 6.648 |
| All Land | 62,438.280 | 97.560 | |
| Farragut | | | |
| 15% to 40% Slope | 613.381 | 0.958 | 5.912 |
| > 40% Slope | 13.636 | 0.021 | 0.131 |
| Hydric Soils | 273.153 | 0.427 | 2.633 |
| Sinks | 171.678 | 0.268 | 1.655 |
| Floodway | 0.185 | 0.000 | 0.002 |
| AIMI Land | 10,374.400 | 16.210 | |

Least Constrained Land

Overlaying land use and environmental data created **Map 5, *Least Constrained Land***. The areas shown in dark green are undeveloped and are apparently free of serious environmental constraints. The “least constrained” areas do include some areas of Karst terrain, and these areas must be carefully evaluated during the development process.

Sanitary Sewers

Map 6, *Sanitary Sewer Service*, shows the extent of sanitary sewer service. When sanitary sewer service is extended into rural areas, the possibility and urban or suburban development is introduced. In their reports to the Growth Coordinating Committee, several utility providers serving the county explained that they propose to extend sanitary sewer and other utilities into rural areas on the basis of environmental and economic feasibility.

The map of sanitary sewer availability was combined with the Least Constrained Land Map to create **Map 1, *Land Capability***, introduced earlier in this report.

Lands Worthy of Special Consideration

The growth management law requires cities and counties to evaluate the impact of their proposed growth strategies on agricultural land, forests, recreational areas and wildlife management areas.

Recreational and Wildlife Management Areas

Map 7A, *Recreational and Wildlife Management Areas*, includes parks and land which are currently set aside for wildlife management purposes. In some cases, such as the 498 acre House Mountain State Natural Area, the land serves both recreational and wildlife management purposes.

The City of Knoxville owns or works with others to manage 87 parks, recreational and natural areas, amounting to approximately 1,250 acres. Forty-nine parks have been established for neighborhood and community recreation and typically are 1 to 20 acres in size. The City also has 11 greenway trails, extending over 18 miles; the most prominent are the Third Creek and Neyland Drive Greenways. Some of the parks such as the new Lakeshore Park have been set aside through long-term leases. A few of the City’s

parks, including Fort Dickerson Park (97 acres), Sharp’s Ridge Park (111 acres), and the Smith Property (22 acres) are considered natural areas and contain significant wildlife habitat.

Knox County has 61 parks, recreational or natural areas in its system, amounting to approximately 1,628 acres. Seventeen of the parks in the County system are leased or managed by the County, but are owned by community groups. The County has a handful of greenway trails. The Pellissippi Greenway Trail is the only one that lies outside of an existing park. Eleven parks have been set aside as natural areas. These areas lie along Fort Loudoun Lake and Melton Hill Lake and provide noteworthy habitat.

The Town of Farragut owns and manages four parks, amounting to 101 acres. Additionally, the Town has 51 acres of open space located in various subdivisions and along creeks. The Town also had 4.4 miles of greenways.

Other park and wildlife management lands have been set aside by state or federal agencies as natural areas and wildlife management areas. The largest area (331 acres), expressly set aside for wildlife management, is the State Wildlife Management Area at the Forks of the River. Another significant state resource is the previously mentioned House Mountain Natural Area. The Tennessee Valley Authority manages seven tracts of land, containing over 250 acres as natural areas along Melton Hill Lake.

Portions of two farms have been set aside as wildlife management areas through the US Natural Resource and Conservation Service’s Wildlife Habitat Incentive Program. Seventy-one acres are included in this program, conserving the habitat at least until the year 2009.

Agricultural Land

Map 7B, *Agricultural Land*, depicts the parcels in Knox County which are classified by the Tax Assessor as an “Agricultural Act” or agricultural land use. The Agricultural Act was passed in 1976 and revised in 1992 to offer landowners a property tax incentive to maintain land for agricultural or forestry purposes. Through this Greenbelt law, as the program is often called, property taxes are based upon the use of land, rather than the market value. As of January 1998, approximately 78,500 acres of Knox County land, composed of 1,689 parcels, were included in the Agricultural Act

Map 4 Environmental Constraints Knoxville-Knox County, TN

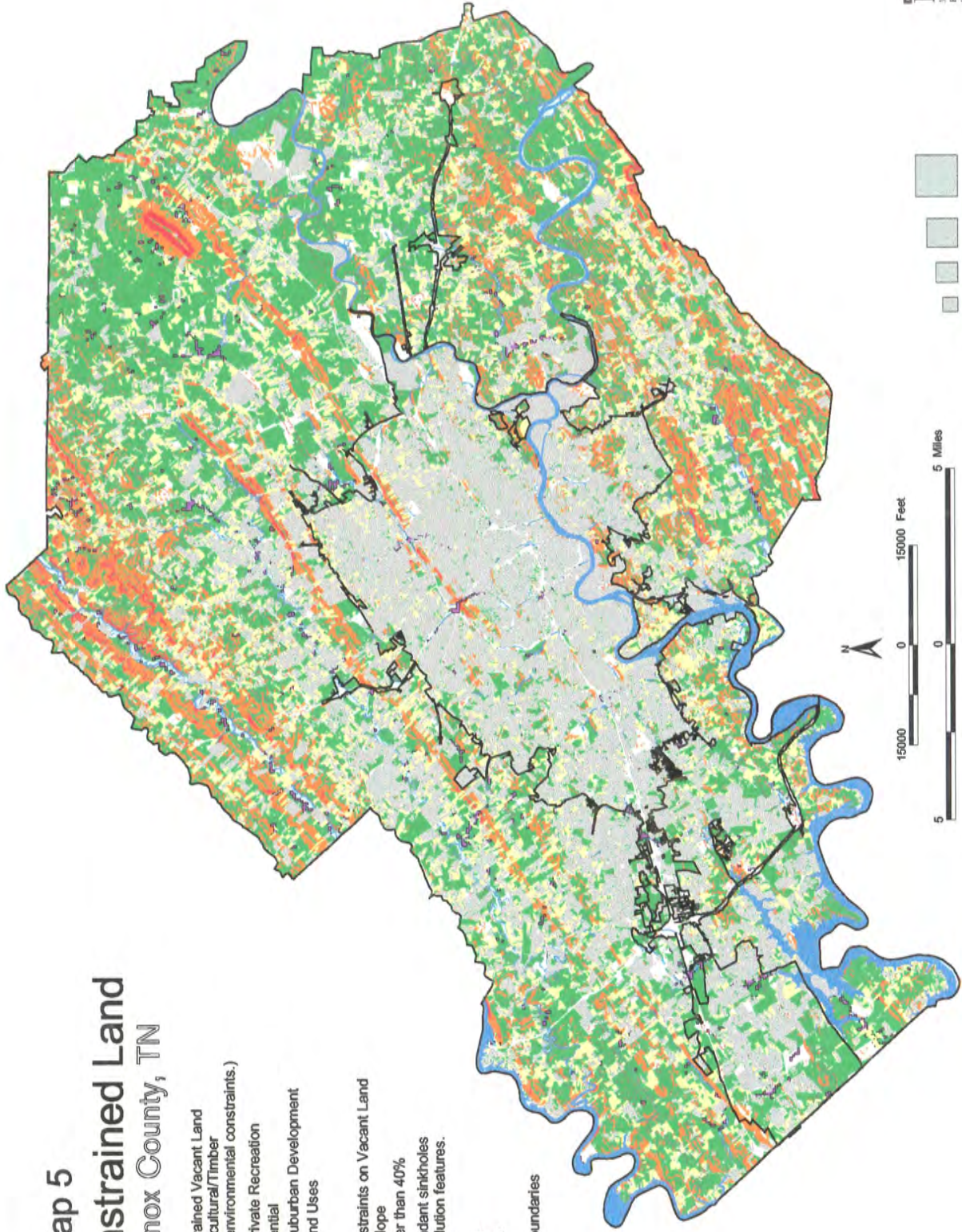


- 15 %- 40% Slope
- Slope Greater than 40%
- Area underlain by dolomite and limestone.
- Area of abundant sinkholes and other solution features.
- Hydric Soils
- Flood Fringe
- Flood Zones
- Water
- Municipal Boundaries



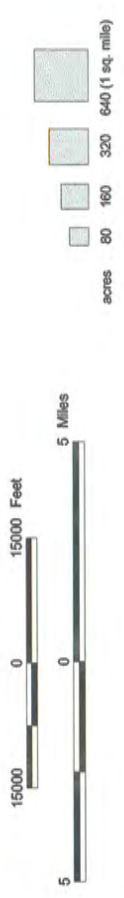
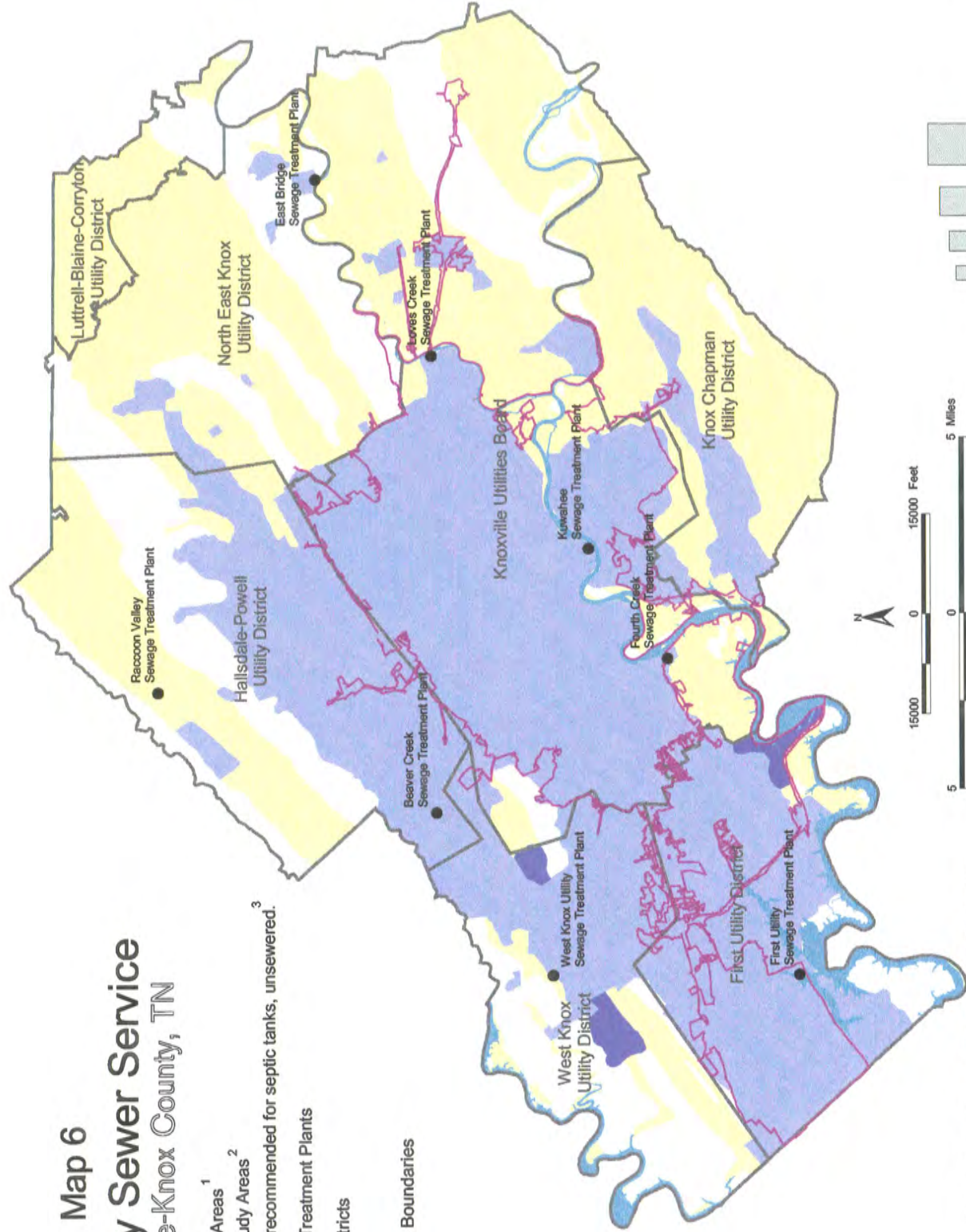
Map 5 Least Constrained Land Knoxville-Knox County, TN

- Least Constrained Vacant Land (Vacant/Agricultural/Timber with fewest environmental constraints.)
- Parks and Private Recreation
- Rural Residential
- Urban and Suburban Development
- Unknown Land Uses
- Water
- Environmental Constraints on Vacant Land**
- 15% -40% Slope
- Slope Greater than 40%
- Area of abundant sinkholes and other solution features.
- Hydric Soils
- Flood Zones
- Flood Fringe
- Municipal Boundaries



Map 6 Sanitary Sewer Service Knoxville-Knox County, TN

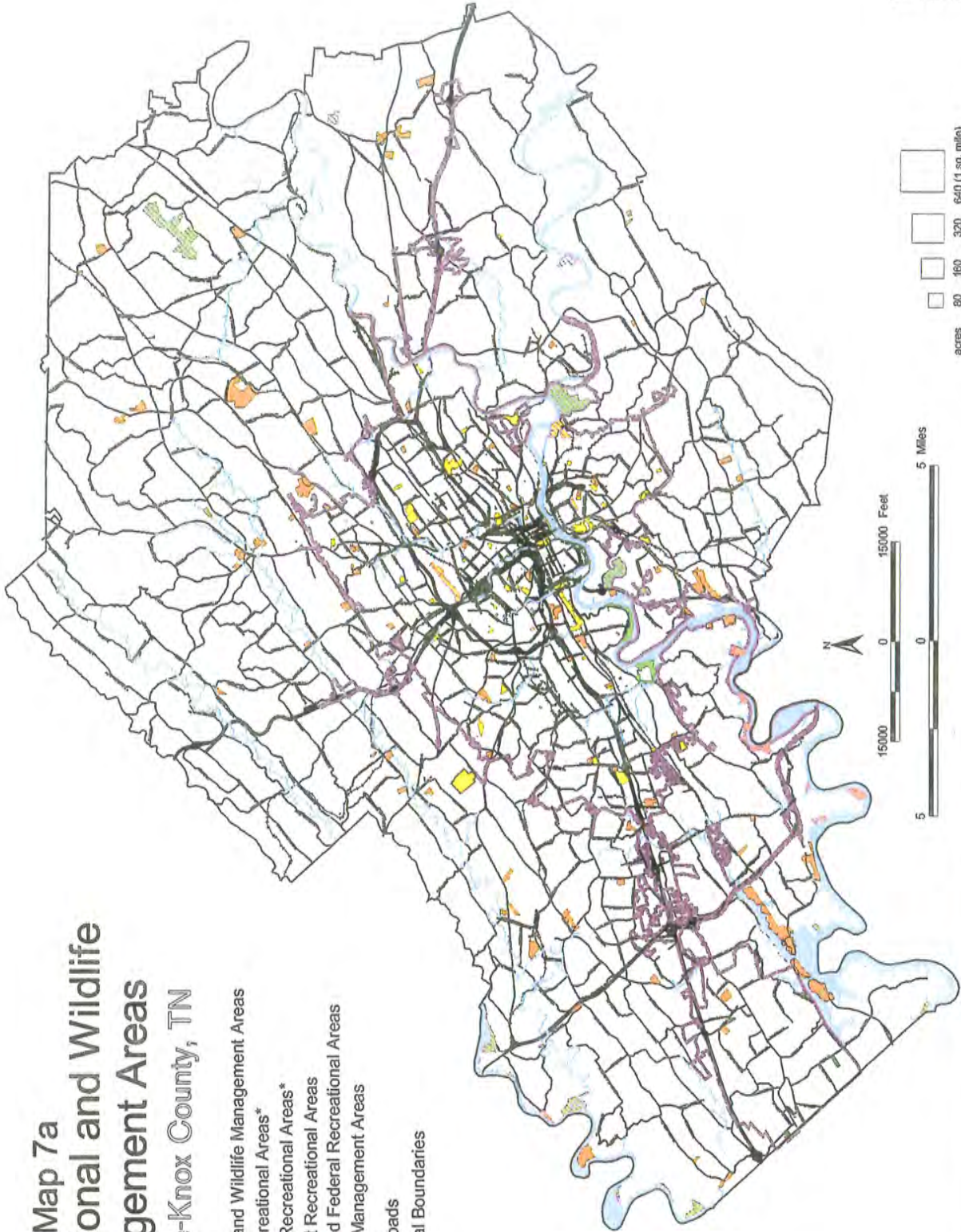
- Sewered Areas ¹
- Sewer Study Areas ²
- Soils not recommended for septic tanks, unsewered. ³
- Sewage Treatment Plants
- Utility Districts
- Water
- Municipal Boundaries



Print date: April 5, 1999.
 1) Trunk lines or low pressure systems are available in these areas. (Source: MPC consultation with the utility districts, November 1993.)
 2) Feasibility and cost studies are underway to extend services to these areas.
 3) These soils generally have a percolation rate in excess of 75 minutes, are flood-prone, are less than 6 feet in depth, or are on steep slopes.
 (Source: Leonard D. Helm's "Calignosis of Relative Possibility for Septic Tank Placement, U.S. Geol. Surv., 1972, and MPC consultation with U.S. Natural Resources Conservation Service/Knox County Engineering Department, November 1998.)

Map 7a Recreational and Wildlife Management Areas Knoxville-Knox County, TN

- Recreational and Wildlife Management Areas
- City Recreational Areas*
- County Recreational Areas*
- Farragut Recreational Areas
- State and Federal Recreational Areas
- Wildlife Management Areas
- Major Roads
- Municipal Boundaries



15000 0 15000 Feet

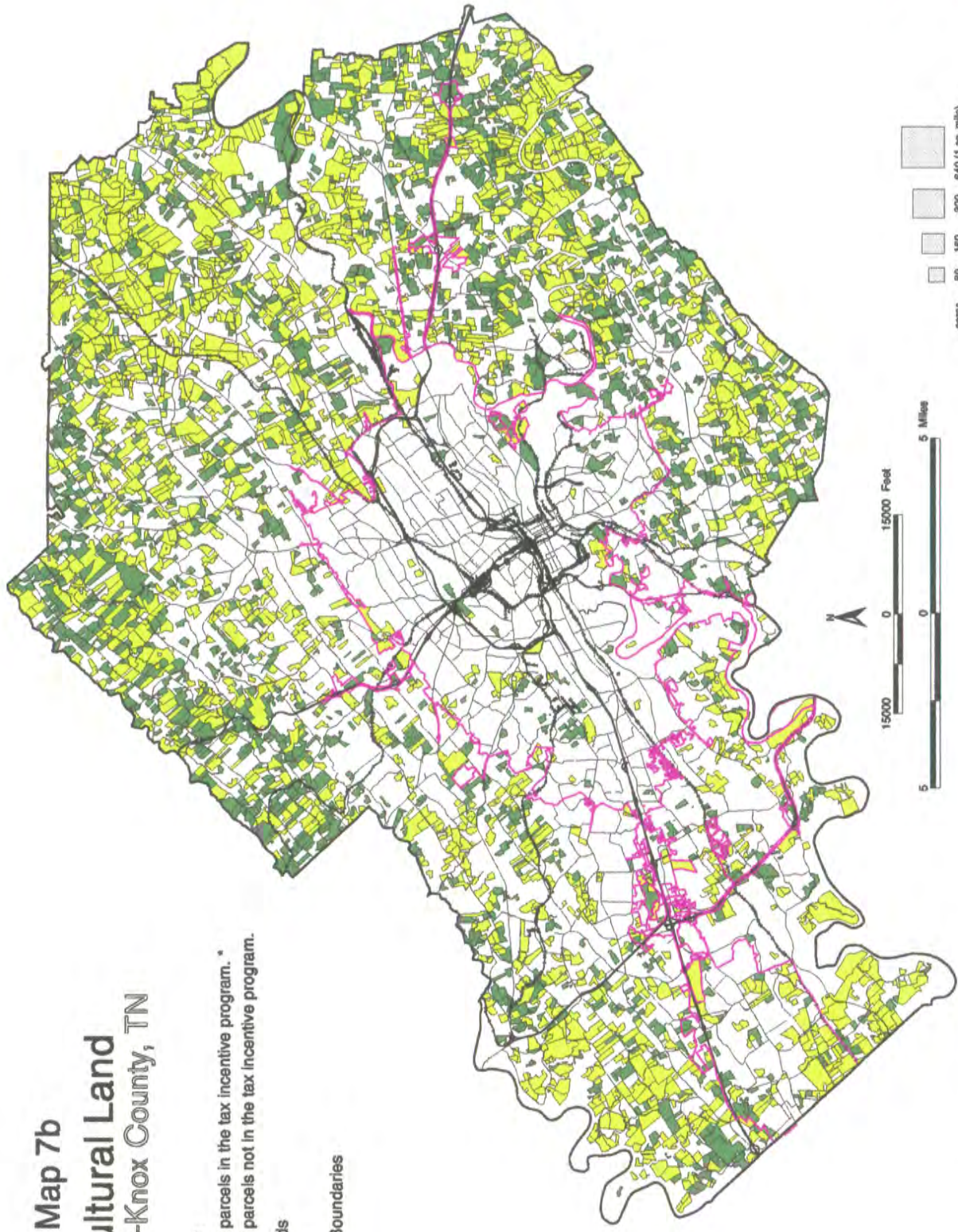
5 0 5 Miles

acres 80 160 320 640 (1 sq. mile)

Print date: April 9, 1999.
(Note: * Includes land which is leased through or managed in conjunction with civic groups, private owners, or other institutions.)

Map 7b Agricultural Land Knoxville-Knox County, TN

- Agricultural Land**
- Agricultural parcels in the tax incentive program.*
- Agricultural parcels not in the tax incentive program.
- Major Roads
- Railroads
- Municipal Boundaries



Print date: April 8, 1999.
(Note: * Owners of these parcels are using the State Tax Act Incentive which was created to conserve agricultural land.)

category. The vast majority of the parcels include land, which is used for agricultural production. As of April 1999, only 106 parcels, comprising 5,418 acres, were part of the Agricultural Act forestry program. The Agricultural Act program contributes to agricultural land conservation but offers no guarantee that permanent agricultural uses will continue. Additionally, there are 1,469 parcels, representing 44,207 acres of other agricultural land; owners of those parcels have not elected to take part in the Agricultural Act tax incentive program. All the parcels depicted on Map 7B are over 15 acres, the threshold used by the Assessor for eligibility for the Agricultural Act program.

According to the U.S. Census of Agriculture, the number of farms and agricultural acreage has steadily decreased (*See Exhibit 5*). In 1954, almost 57 percent of the county's land was in agricultural uses. By 1997, slightly more than 25 percent was in agricultural uses. Between 1992 and 1997, the land devoted to farming decreased 7 percent. Surprisingly, the number of farms slightly increased; however, the average size of farms decreased from 81 acres to 74 acres.

Exhibit 6 summarizes land with agricultural zoning. Land zoned agricultural (A in the county and A-1 in the city) is largely used for farming but also includes residential uses on lots as small as 1 acre. Currently, there are approximately 195,000 acres zoned agricultural in Knoxville/Knox County.

EXHIBIT 5

Farms and Farm Land in Knox County, 1954-1997

| | 1954 | 1959 | 1974 | 1978 | 1982 | 1987 | 1992 |
|---------------------------|---------|---------|---------|---------|---------|--------|--------|
| Total Number of Farms | 3,599 | 2,377 | 1,278 | 1,251 | 1,414 | 1,253 | 1,157 |
| Total Farm Acreage | 192,471 | 116,724 | 104,259 | 105,186 | 108,490 | 94,701 | 94,254 |
| Average Farm Size (acres) | 54 | 70 | 82 | 85 | 77 | 76 | 81 |

Source: U.S. Census of Agriculture. The difference in the Tax in Tax Assessor's records (the Agricultural Act and agricultural acreage) and the figure in this exhibit is substantially due to an undercount in the U.S. Census of Agriculture, according to local U.S.D.A. officials.

EXHIBIT 6

Land Zoned Agricultural (in acres)

| | Knoxville | County Balance | Farragut |
|---|-----------|----------------|---------------|
| All Land Zoned Agricultural | 4,146 | 189,436 | 879 |
| Tracts over 15 Acres Zoned Agricultural | 3,750 | 188,642 | NOT AVAILABLE |

SECTION 3

Development Trends and Projections

Growth of Knoxville

Map 8, *Growth of the City*, shows the gradual expansion of Knoxville since 1792. The city started with 55.9 acres (.087 square mile) over 200 years ago. Today Knoxville has a land area of just under 100 square miles. The map shows that a relatively small area has been annexed during the 1980's and 1990's, compared to very large annexations during the World War I era and the 1960's.

Subdivisions and Building Permits

Maps 9 and 10 show five year's worth of residential subdivisions and building permits, respectively. The maps show that the majority of residential development has been in North, Northwest and Southwest Knox County. Farragut and Northwest Knoxville have also been growth centers. More detailed information about residential and nonresidential development trends is available in MPC's 1998 Development Activity Report. Between 1990 and 1998, building permits for 29,510 dwelling units were issued.

Historical Population Trends

The U.S. Census Bureau estimates that Knox County's population grew from 335,749 to 366,846 between April 1990 and July 1998, an increase of 9.3 percent. The Knox County-Knoxville Metropolitan Statistical Area (MSA) grew 12.4 percent during the same period. Knox County accounts for about 55 percent of the MSA's population of 659,074. Census figures for Knoxville showed a slow decline during the 1980's. After the 1990 census, population began to increase. The last available Census estimate (July 1998) placed Knoxville's population at 172,994.

Farragut's population was 5,967 when it was incorporated in 1980. It has grown at a steady rate since that year. In 1997, the Census Bureau estimated Farragut had grown to 16,654, up 27% since 1990, when the population was 12,793.

Population Projections

Population projections proposed by the University of Tennessee's Center for Business and Economic Research (UTCBER) have been released for use in the growth planning process. Knox County, Knoxville, and Farragut have all written letters to UT expressing concern that the projections are too low. For purposes of compliance with PC 1101 and its deadlines, however, the Growth Policy Coordinating Committee decided to use the UTCBER projections.

Projecting Future Land Needs

The growth management law requires cities and counties to draw urban growth boundaries and planned growth areas based, in part, on the anticipated population growth and the land supply needed to accommodate two decades of growth. MPC staff developed a computer spreadsheet model to forecast land needs based on current land use patterns, projected population growth, housing demand forecasts, anticipated residential development density (dwelling units per acre) and a market factor adjustment to avoid creating an artificial shortage of land for development.

The results produced by the land projection model vary depending on four variables:

Population Projections. Because future need for most land uses are calculated based on population ratios or service standards, the higher the population figures used, the higher the projected land needs will be.

Housing Demand and Density Forecast. Housing demand grows faster than population because the average number of persons per household continues to decline over time. Single-family residential development is the largest category of developed land and the largest consumer of raw land in the development process. Encouraging higher residential development densities will have the most dramatic impact in reducing the long-range demand for land.

Market Factor Adjustment. The purpose of the market factor adjustment is to avoid creating an artificial shortage of developable land later in the planning period. The market factor adjustment is needed because not all property owners will be interested in selling their land for development, not all developers will build at the predicted intensity, and some land identified in this report as developable may prove to have problems relating to environmental characteristics, configuration or ownership.

Urban Landfill. The extent of future development on vacant land inside Knoxville and Farragut affects the total demand for new suburban land.

The land projection model was prepared as follows:

1. An existing land use study was prepared using tax assessor's data from the Knoxville Knox County Geographic Information System (GIS).
2. Ratios of existing population to existing land use were calculated.
3. Population projections were obtained from the University of Tennessee Center for Business and Economic Research (UTCBER). Although higher projections prepared by MPC and other forecasters were considered to be more realistic, the lower UT projections were adopted by the Coordinating Committee as a compromise.
4. A housing demand projection was prepared.
5. Future residential land needs were projected based on the housing demand forecast.
6. Park and public open space needs were derived from service standards in adopted park and open space plans.
7. The existing inventory of park land from the tax assessor's records was adjusted to include all lands shown on MPC's open space inventory, including TVA lands, wildlife management areas, and private land leased for public recreation.
8. Applying the population/acreage ratios developed in step 2 to the population projections yielded land requirements for other categories.
9. These were totaled to provide the "Unadjusted land needs" for the years 2010 and 2020.
10. **Exhibit 7** also shows projected land needs adjusted with a "market factor."

Projected Needs for Urban/Suburban Land

Exhibit 7 shows projected, countywide needs for developable land between the years 1998 and 2020. Land needs were projected using population projections by the University of Tennessee's Center for Business and Economic Research (UTCBER). UT prepared these projections specifically for the Growth Plan process.

"Unadjusted" and "adjusted" forecasts are shown in the exhibit. The unadjusted numbers are a projection of actual land needs for the period of 1998 to 2020, based on population projections, historical ratios of population to land use, park and open space service standards. The adjusted

projections have been inflated by a market factor adjustment of 25%. The market factor adjustment intended to avoid creating an artificial shortage of developable land.

The computer spreadsheet model used to make these projections is described in Section 4.

EXHIBIT 7

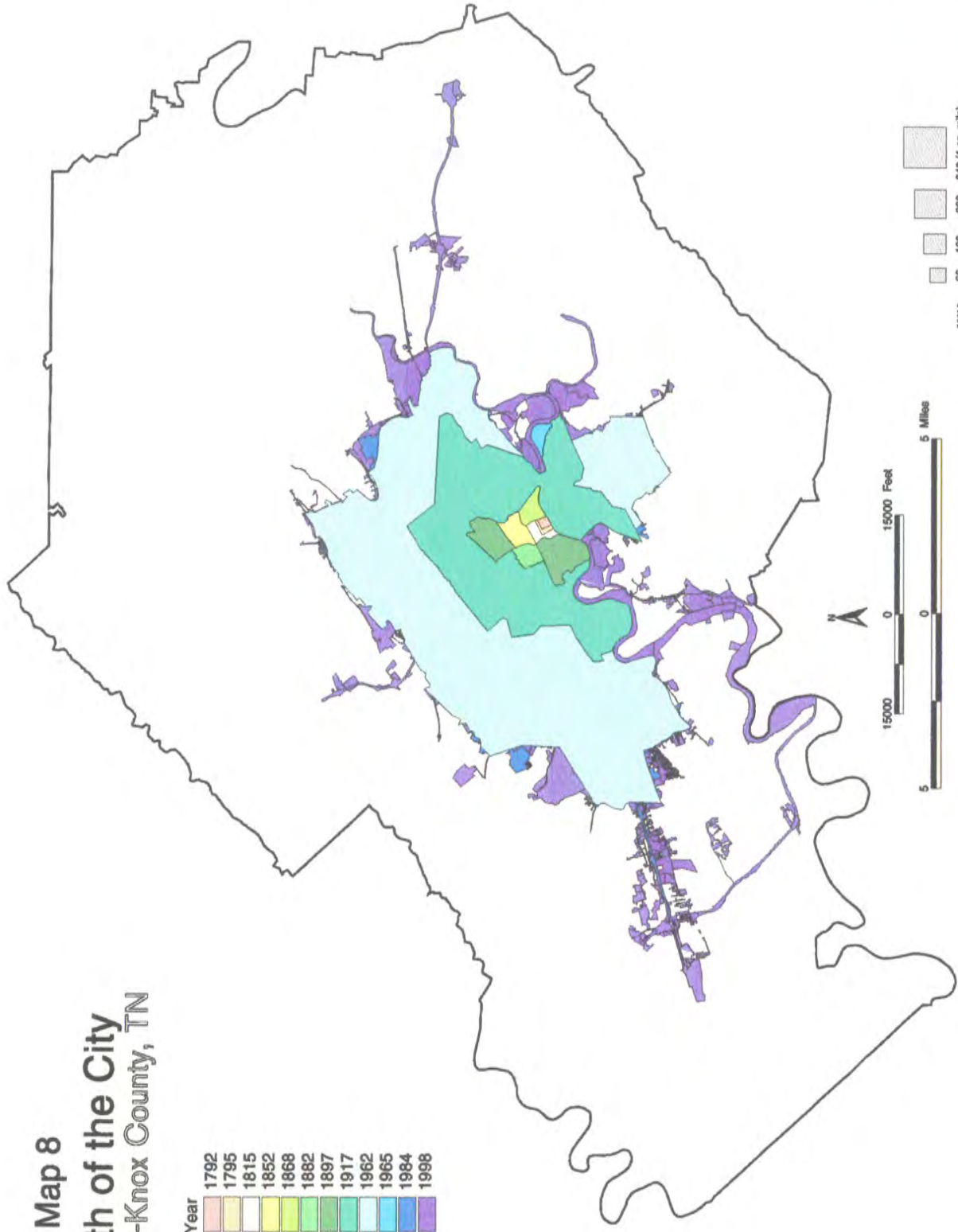
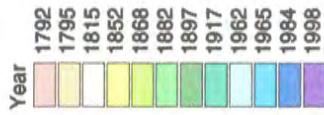
Minimum Requirements for Vacant Land Without Environmental Constraints

| | <i>Square Miles</i> |
|-----------------------------------|---------------------|
| Unincorporated Knox County | |
| Rural Residential | 4.16 |
| Planned Growth | 23.30 |
| Knoxville | |
| Urban Growth Boundary | 15.99 |
| Infill in Existing City | 5.70 |
| Farragut | |
| Urban Growth Boundary | 0.99 |
| Infill in Existing Town | 4.68 |
| Total | 54.82 |

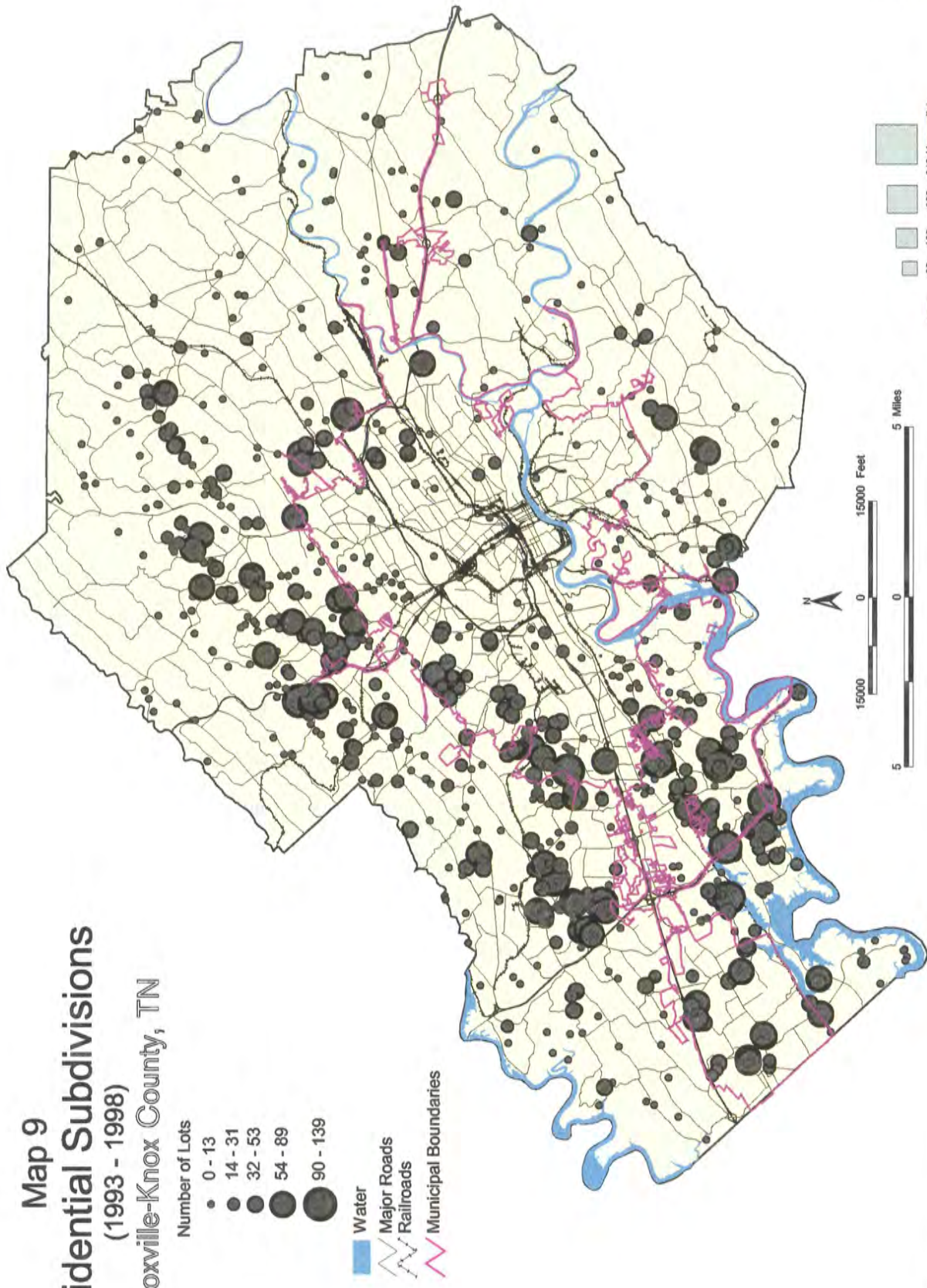
NOTES:

1. Knoxville and Knox County figures were adopted by Growth Policy Coordinating Committee after determination of appropriate housing densities, market factor adjustments, population projections, and urban infill projections.
2. Farragut urban growth boundary was measured from digital maps. Farragut infill area is the total of vacant, unrestricted land as described in *Farragut's Urban Growth Boundary Report*. This amount may exceed the actual need for infill land.

Map 8 Growth of the City Knoxville-Knox County, TN



Map 9 Residential Subdivisions (1993 - 1998) Knoxville-Knox County, TN

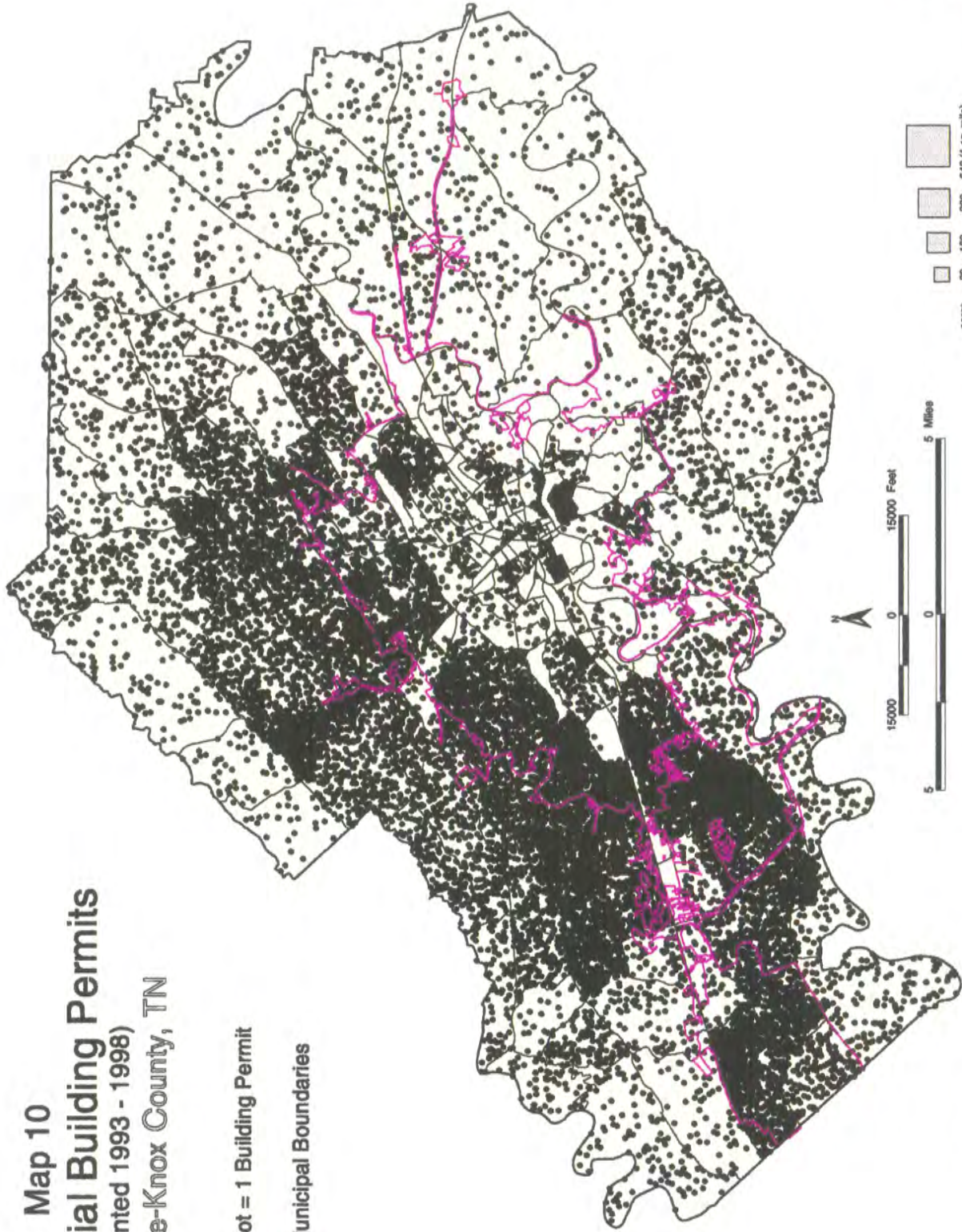


Print date: April 5, 1999.
Data represents residential subdivisions approved in Knox County from 1993 through October 1998.

Map 10 Residential Building Permits (Granted 1993 - 1998) Knoxville-Knox County, TN

• 1 Dot = 1 Building Permit

~ Municipal Boundaries



Print date: April 5, 1999.
Data represent the number of housing units associated with building permits granted in Knox County from 1993 through October 1998. These data are mapped by Traffic Analysis Zone (TAZ).

SECTION 4

Adopted Plans

There are two active planning commissions in Knox County. The Knoxville-Knox County Metropolitan Planning Commission (MPC) is a joint venture of Knoxville and Knox County. MPC provides planning, zoning and subdivision review services to both governments. The Farragut Municipal Planning Commission serves the Town of Farragut and makes recommendations to the Board of Aldermen. Plans adopted by these planning commissions, coupled with zoning, subdivision review and capital improvements programming, give the three local governments in Knox County, the authority to determine the timing, nature, location and extent of development.

Knoxville-Knox County General Plan

The General Plan for Knoxville/Knox County, prepared in 1994, includes long-range policies for land use, utilities, recreation, transportation, public facilities and other concerns. It is the Planning Commission's official policy statement on the long-term development within Knoxville and Knox County. The plan has also been adopted by Knoxville's City Council. Policies and proposals are expressed in written and graphic forms. The plan identifies the neighborhood as the basic building block of the community; proposes compact, intensely developed "activity centers" at major thoroughfare intersections as a better alternative to commercial strip development; identifies areas for new development, revitalization, and conservation; and advocates economic development and affordable housing. The Plan will be updated in 2000.

Knoxville-Knox County Sector Plans and Knoxville One-Year Plan

Knoxville/Knox County is divided into twelve geographic sectors for the purpose of preparing City and County sector plans. These plans provide projections for land use, transportation, and community facilities for five-year and fifteen-year periods. The sector plans are more specific than the General Plan and are used in making zoning decisions. **Map 11** shows the land use plans for all sectors joined into one countywide map. MPC and the Knoxville City Council have adopted all of the Sector plans. Knoxville's City Charter includes a requirement that rezoning decisions must be consistent with the City's comprehensive development plan. To maintain that consistency, MPC maintains the Knoxville One Year Plan, which is reviewed annually.

Farragut 2004 Plan























In April 1995, the Town of Farragut issued a plan, which captured the vision of their community in the year 2004. Their plan included "consideration of the aspects of Town life most important to the residents of Farragut: arts, culture, environmental quality, growth and economic development, public service, recreation, information technologies and transportation systems." Included in the *Farragut 2004 Plan* is a description of the Town as it exists and operates currently, along with a planning and citizen participation process, which will guide the implementation of the Plan. The plan concludes with a set of overarching strategic recommendations intended to guide the evolution of the Town through the year 2004.

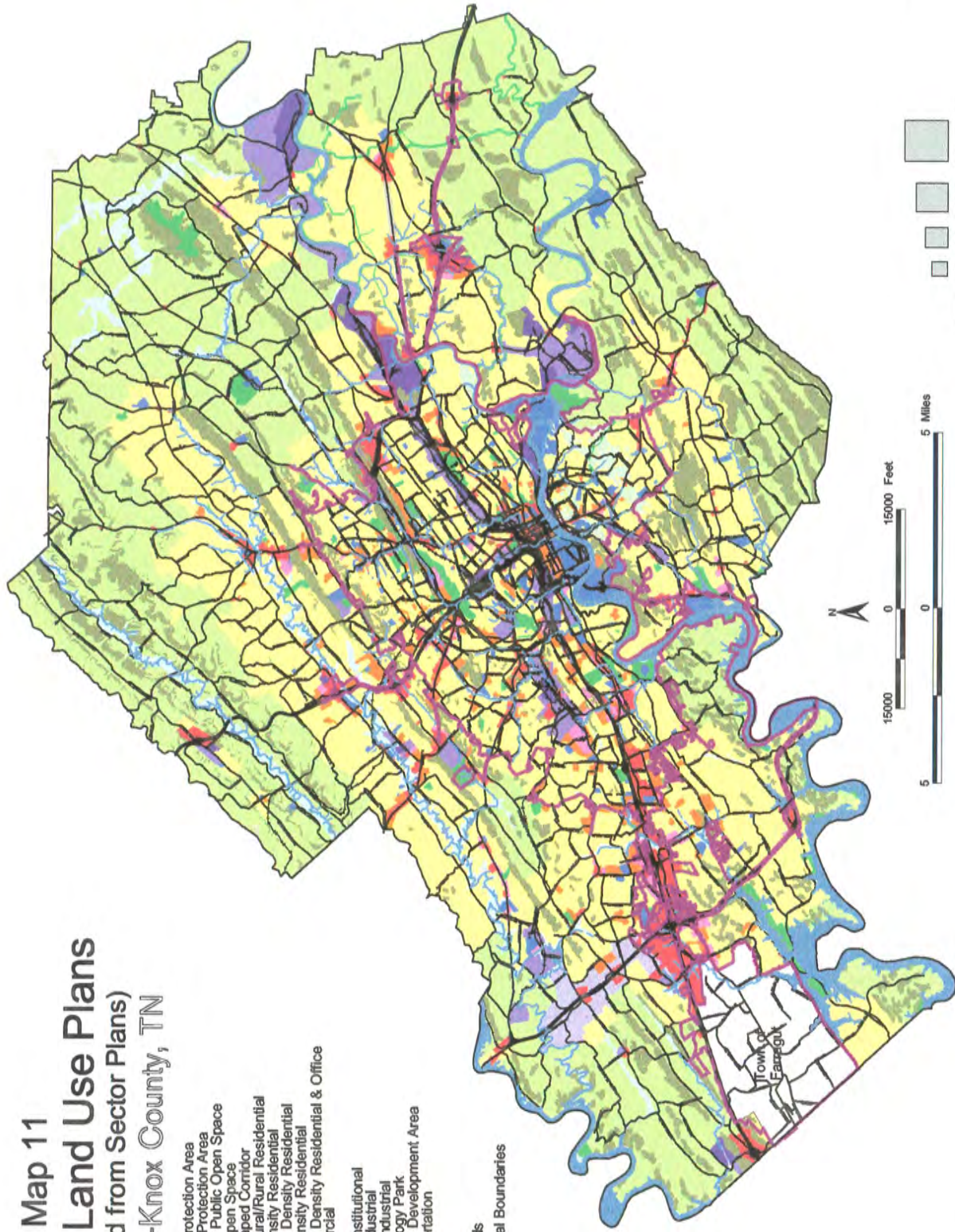
Currently, the Town of Farragut is assembling their *Land Use Plan*, to be completed in January 2001.

Map 11

Adopted Land Use Plans (Compiled from Sector Plans)

Knoxville-Knox County, TN

-  Slope Protection Area
-  Stream Protection Area
-  Parks & Public Open Space
-  Other Open Space
-  Landscaped Corridor
-  Agricultural/Rural Residential
-  Low Density Residential
-  Medium Density Residential
-  High Density Residential
-  Medium Density Residential & Office
-  Commercial
-  Office
-  Public Institutional
-  Light Industrial
-  Heavy Industrial
-  Technology Park
-  Planned Development Area
-  Transportation
-  Water
-  Roads
-  Railroads
-  Municipal Boundaries



Print date: April 5, 1999.
Sector Plans date from 5/14/94 to 10/8/98.

SECTION 5

Cost of Service Provision Analyses

As a necessary component of the growth planning process, each local governmental jurisdiction has provided an analysis of costs for services to accommodate existing and future development. The three bodies have interpreted the Growth Policy Act's mandates for reporting this information in somewhat differing manners; however, an understanding of the costs faced by each jurisdiction should be evident from the summaries shown here.

Analyses for Farragut, Knoxville, and Knox County are presented:

TOWN OF FARRAGUT: Cost of Service Analysis

Although the residents of Farragut have urban services available to them, the Town government only directly provides services in the areas of streets and public works, leisure services and recreation, planning, land use controls and municipal code enforcement, and general government. The following describe the urban services available within the Town, the service provider, and budget information on Town of Farragut Services: *(Information provided to the Growth Policy Coordinating Committee by the Town of Farragut.)*

Inventory and Description of Public Services

Public Utilities. Water and sewer service is provided within the Town of Farragut and the surrounding area by First Utility District. Expansion into non-served areas of the Town is ongoing as development occurs. The Town requires new development to install infrastructure meeting or exceeding all First Utility District standards. First Utility District works with developers to extend service lines to new development. Natural gas is provided by the Knoxville Utility Board and is available to most older and newer residential development as well as in the commercial districts. Electric service is provided by Lenoir City Utilities Board and is available both within the Town and its surrounding area.

Public Safety. Police protection is provided by the Knox County Sheriff's Department. Fire and ambulance service is provided by Rural Metro, a private vendor which responds to all emergencies. Rural Metro has a franchise to provide their services within the Town of Farragut contracting individually with property owners. Although the Town does not fund the full cost of the service within the corporate boundary, it does have specific funding agreements with Rural Metro and works closely to maintain and improve the level of service provided its residents. Rural Metro provides their services in the territory outside the Town and existing funding agreements between the Town and vendor would include any areas of future annexation.

Solid Waste. Collection of solid waste is provided by private vendors and is contracted individually by the vendor with the residents. Residents are not required to contract for this service.

Roads and Streets. Street improvement and maintenance is provided by the Town of Farragut through the Engineering and Public Works Departments. New street construction, existing street improvements, pedestrian ways, traffic control devices, bridge improvements, drainage improvements, and general maintenance of public facilities and infrastructure are included in this public service category. The Town currently maintains 115 miles of streets. The *Farragut 1999-2004 Capital Improvement Plan (CIP)* indicates that \$10,260,000 are proposed between year one and year five of the plan, and that \$15,092,000 are estimated for beyond the fifth year to complete necessary street improvements bringing streets up to minimum Town standards for their individual functional classification. The CIP recommends \$1,250,000 from the Capital Project Fund be used with \$2,549,000 in State Street Aid Funds over five years to increase the amount of street maintenance and resurfacing that can

be completed within the current corporate limits.

An estimated \$25,000,000 could be necessary during the twenty year planning period for existing street improvements and new street construction in newly annexed areas. Additionally, a significant portion of the Town's State Street Aid Funding will be required to maintain all existing streets after they are annexed.

Although most of the Town's streets are in good to excellent condition, the cost of street repair and maintenance grows each year with the addition of new streets and the aging of existing streets. Many of the Town's existing streets are reaching the age where resurfacing and general maintenance must be programmed. The timing of maintenance and increasing costs will have an effect on the Town's ability to take on new street responsibilities while maintaining the existing level of street condition within the current corporate boundary.

Recreation. The Town of Farragut provides leisure services as well as parks and recreation programs under this category. Community activities, leisure services, and recreation programs already serve the residents outside the corporate boundary of the Town and it is difficult to estimate the number of Town residents versus county residents who benefit from these existing services. Capital costs associated with these programs are contained wholly within the Town's budget and are expected to be sufficient to serve anticipated demand in the next twenty years.

The Town has constructed and maintains three parks and plans to construct one additional park. Anchor Park has picnic pavilions, an exercise course, a walking trail, a playground for small children, a soccer field, a softball field, a basketball court, restroom and concession facilities, a small water impoundment, and open spaces. Mayor Bob Leonard Park has soccer fields, two softball fields, one baseball field, sand volleyball courts, a playground for small children, a wetland open space area with a walking trail, restroom, and

concession facilities. Campbell Station Park is a passive recreation area with walking trails. It will be further developed over the next five years. Property for a new park has been acquired on McFee Road and plans have been developed for its construction. Over the next five years, the CIP recommends \$250,000 of improvements to Mayor Bob Leonard Park, \$710,000 of improvements to Campbell Station Park, and \$1,500,000 to begin development of McFee Road Park. Beyond the year 2004, the CIP identifies \$2,500,000 in additional funds necessary to complete McFee Road Park. As stated previously, these parks serve a much larger population than found within the current corporate area. They will continue to be used by residents within and beyond the Farragut Urban Growth Boundary and will obviously be available to residents who may be incorporated into the Town.

Planning, Zoning and Building Codes. Development in the Town of Farragut is guided by the Board of Mayor and Aldermen, the Municipal Planning Commission, and the Community Development staff. Appropriate public health, safety, and welfare standards as well as public improvement standards are maintained through a system of municipal ordinances, codes, and regulations administered by volunteer committees and a professional staff. Incorporation of additional territory will not add significant cost to the provision of these services.

Analysis of Public Service Costs

Non-Municipal Urban Services. Urban services, facilities, and infrastructure that are not the responsibility of the Town of Farragut are funded through user fees. Expansion of these non-municipal urban services is determined by development demand and the customer base of the area. Ultimately, their expansion is funded through user fees.

Municipal Urban Services. The Town of Farragut provides urban services, facilities and infrastructure in the categories of street, sidewalk, and walking trail construction, repair and maintenance; parks and recreation; and community development. Transportation construction and maintenance as well as park improvements and construction have long term capital costs for extending the service throughout the municipality under current plans. Community development services have no capital expenditures associated with them. Only street construction, repair, and maintenance will have significant capital and operational costs to extend services into newly incorporated areas.

Findings

Urban services, facilities, and infrastructure are readily available to most of the residents of Farragut and to those residents living in areas adjacent to its corporate boundary. The Town of Farragut has a history of high quality public service provision in those services for which it is the responsible provider. The current five year capital improvements plan indicates a commitment to full community development in those services over the next five to ten years. The Town has exhibited the resources to expand its services beyond the current municipal boundary and already serves a larger population with park facilities, recreation programs, and other leisure services.

CITY OF KNOXVILLE: Cost Of Service Analysis

The analysis provided by the Town of Farragut plainly shows an inventory of services and measurement of the funds necessary to accommodate service provision in existing and future development areas within the Town's jurisdiction. Figures were primarily derived from Farragut's Capital Improvements Program. In similar fashion, the City of Knoxville presents an overview of services to be provided to residents in newly annexed areas of the Urban Growth Boundary (UGB). Rather than detailing specific CIP and budget costs for each type of service, however, the City has calculated an average cost figure applicable to each square mile of territory annexed. Details on specific service costs

and the calculation of the average cost per unit of development are provided below: *(Information provided to the Growth Policy Coordinating Committee by the City of Knoxville.)*

As to current costs of services, the adopted operating budget for the City of Knoxville in Fiscal Year 1999/2000 is \$222,518,845. The General Fund budget, which is the main operating fund of the City, equals \$129,993,235. Anticipated expenditures are reflected in the net budget and equal \$169,883,130. The net budget excludes all expenditures such as interfund transfers and charges, which are effectively double counted within the budget. The City has an authorized personnel count of 1,711 full-time positions and 81 part-time positions. A copy of the City's budget for 1999/2000 has been previously submitted to the Growth Policy Coordinating Committee.

In estimating the costs associated with providing services within any proposed UGB, the City of Knoxville Finance Department assumes the population figures and square mile totals for the UGB as discussed in the preceding sections. The Finance Department also analyzes this issue in terms of current day dollars with the impact of inflation being discounted in all equations.

The City does not intend to annex the entire UGB at one time but will initiate separate annexations of territory as appropriate based upon the City's ability to effectively and efficiently extend City services to these areas. If property owners within the UGB request to be annexed, the City will initiate an annexation unless such action would be unreasonable under the circumstances. Based upon the levels of services presently provided within the City limits, the City projects the following additional costs associated with providing infrastructure, services and facilities throughout the territory under consideration for inclusion in the UGB.

1. Police Protection/City Court

At present, the City has a ratio of uniformed personnel of 2.39 police officers per thousand City residents, as compared to Knox County's ratio of .83 uniformed personnel per thousand county residents. The City's proposal involves at least maintaining this three-to-one standard with respect to police protection within any area annexed by the City. As additional areas within the UGB are annexed and as additional police officers

are hired to police these additional areas, it is anticipated that the work load of the Municipal Court will increase. The City proposes to increase staffing and expenditures for Municipal Court to account for this expanded work load.

2. Fire Protection

As the City annexes within the proposed UGB, the City will offer fire protection to property owners and residents within the annexed areas. The City intends to maintain its ISO rating of 3 for any annexed areas. The Knoxville Fire Department maintains a response time of under five minutes within a four-mile radius of each of the City's 18 fire stations. Under the proposed UGB, fire protection services will be provided by these 18 fire stations, except that the City would add one additional fire station in the east area of the UGB whenever this area is annexed. Estimated construction costs of such an additional station are \$500,000, excluding the cost of land acquisition.

3. Solid Waste Collection and Other Public Services

As with other urban services, the City will begin providing public services—garbage pickup, leaf and brush pickup, solid waste disposal, and other services—as annexation occurs. These services will be provided to newly annexed areas just as they are now provided to City property owners and residents. As additional areas are annexed, new service zones will be created, and the City will expand other support services as necessary.

4. Road and Street Construction and Lighting; Stormwater Management, and other Engineering Services

At present, the City Engineering Department maintains approximately 970 miles of streets within the City limits. Under the City's current planned paving program, every City street is paved at least once every twenty years. Arterial and collector streets are repaved more frequently. In addition, the City maintains signs, traffic signals, and street lights on City streets. The City

proposes to maintain these paving, signalization, and lighting practices as additional areas within the UGB are annexed. In addition, the engineering department is involved in drainage remediation efforts, construction design, and other tasks in connection with stormwater control within the City limits. One of the significant factors in establishing the City's UGB is the need for the City to control drainage basins for creeks that drain through the City. The City proposes to expand its Engineering Department appropriately as areas within these drainage basins are annexed.

5. Recreation Facilities and Programs

Although many children as well as adults living in Knox County already use City parks and other recreational facilities, the City proposes to add additional recreational activities as new areas are annexed. Using the present level of recreational services as the standard, the City would anticipate increasing the parks and recreation budget by approximately \$22,500 for each square mile annexed.

6. Development Services

Expansion of the current City boundaries will also require additional inspection services both for new construction and codes enforcement. The City's UGB anticipates that such services will be provided at the present level of service. In recent years, the Inspections Division has completely recovered its operating costs from fees, and the City anticipates this continuing with respect to annexed areas.

7. Ancillary/Support Services

As the City annexes additional territory within the UGB, the Finance Department, the Civil Service Department, the Law Department, the Information Systems Department, and the Fleet Services Department will be expanded, as necessary, to provide at least the same level of support for the foregoing departments as is presently provided. In addition, Knoxville Area Transit (KAT) will provide public transportation services into annexed areas as they become more urbanized.

Assuming the levels of service described above, the City anticipates being able to provide services within the UGB at an average cost of \$500,000 per square mile of territory annexed. This unit cost is comprised of additional staffing expenses, equipment costs, and other operational expenses. This unit cost is based upon the fact that certain services are already being used by County residents within the UGB and based upon the extensive economies of scale that can be achieved by the City within the UGB. Of course, the costs associated with the annexation of any particular territory may vary greatly depending upon the developmental needs within the territory.

KNOX COUNTY: Cost of Service Analysis

In this final section of cost analysis, Knox County estimates for service provision are presented. The Knox County analysis examines the impact of new development on necessary service provision in categories such as roadways, libraries, solid waste, recreation, and other services, similar to the information provided by the Town of Farragut and City of Knoxville. The County report varies from the others, however, with a presentation of not only cost estimates, but also projections for revenues generated by new development. Further, those projections are based on several different scenarios of projected development, a course not taken in the Farragut and Knoxville sections, but still informative, and presented here: *(Information provided to the Growth Policy Coordinating Committee through the Knox County Executive's office and represents the work of Tischler and Associates, Inc.)*

Knox County, Tennessee has contracted with Tischler & Associates, Inc. (TA) to evaluate the fiscal impact of five different growth scenarios to the County between 1999 and 2020. A fiscal impact analysis determines whether revenues generated by new growth are enough to cover the resulting costs for service and facility demands placed on the County. As is further discussed below, revenues are insufficient to cover costs.

As a first step, TA prepared the "Level of Service, Cost and Revenue Assumptions" (LOS) document, which discusses County services and facilities anticipated to be impacted by new development. Since the methodology focuses on the case study-marginal cost approach, some operating expenses are semi-variable or fixed and the capital costs will be affected by the facility capacity and staging of development. Also, it is

assumed all current County levels of service will remain the same during the forecast period.

The level of service assumptions have been utilized in combination with the various land use scenarios below to calculate the fiscal impact to Knox County's budget for the 22-year period between 1999 and 2020. Calculations were performed using TA's FISCALS software designed exclusively for this assignment.

Scenarios

TA evaluated five different land use scenarios for their fiscal impact on the County's operating and capital budgets. These scenarios were developed in conjunction with County staff and are based on existing conditions in Knox County, as well as recent and projected trends.

Each of the five scenarios has unique characteristics, thereby allowing the County to understand the fiscal impacts, as well as implications, of various development-related variables over time. An obvious development scenario is the base case, or current pace of growth continuing. Therefore, a *Current Trends* scenario was developed using the Knoxville-Knox County Metropolitan Planning Commission's Moderate Growth Scenario projections. Conversely, some parties may be interested in what happens to Knox County if growth is slowed, either through an intervention strategy or through natural market forces and what impact, if any, do different housing types have on the County. Therefore, a *Slower Growth* scenario was developed, reflecting a 25% reduction in the growth rate, and a *Higher Multifamily* scenario was developed that assumes a higher mix of multifamily units (apartment and condominium units).

In order to gain a better understanding of how sales tax and employment affect Knox County fiscally, a *Higher Retail* scenario was developed that assumes the unincorporated County is more successful than the City at capturing regional-serving retail. A *Higher Employment* scenario was also developed that assumes the unincorporated County is able to capture a larger share of Countywide employment growth, resulting in a job to housing ratio increase of approximately 23% in the unincorporated County (4,822 more jobs over Current Trends). By analyzing these different scenarios, the County will have a useful tool from which to base land use and other policy decisions.

Fiscal Impact Results

General Fund

Exhibit 8 summarizes the average annual net fiscal results (revenues minus operating expenditures) for the General Fund. The annual results are discussed in later sections. The net results for all five scenarios are shown and include operating expenses and revenues as defined in the separate Level of Service document. All results are those accruing from new growth only, and do not include costs and revenues from the existing population and employment base of the County.

Over the short-term (1999 to 2010), the Higher Multifamily and Higher Retail scenarios produce the best results, average annual net *deficits* of approximately \$490,000 and \$560,00, respectively. This is followed by Higher Employment (\$1.21 million), Current Trends (\$1.35 million) and Slower Growth (\$1.49 million).

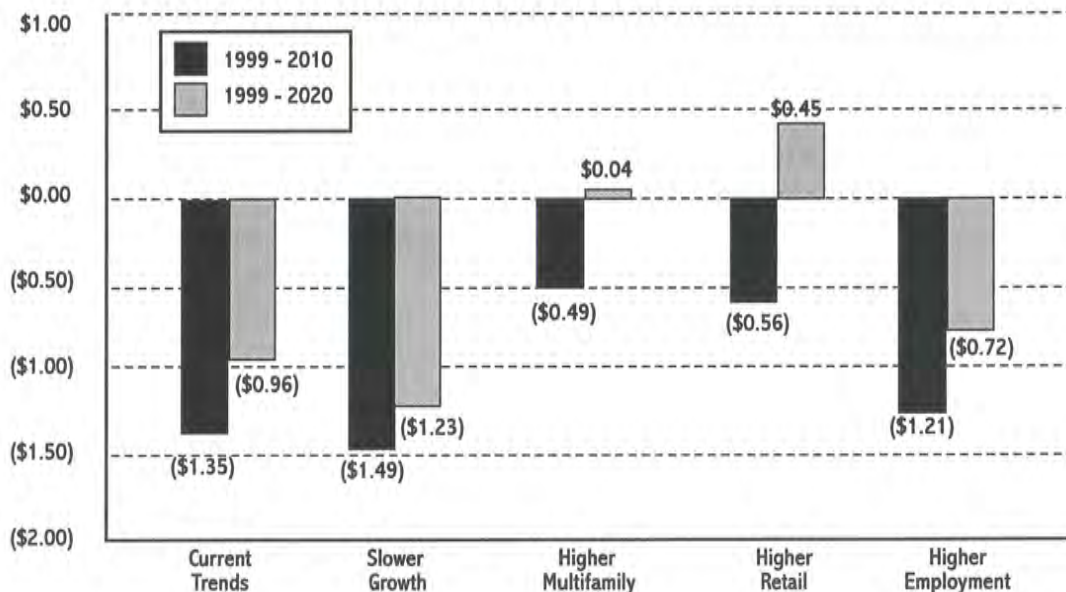
Over the 22-year analysis period, the Higher Retail scenario generates the best result, average annual net *revenues* of approximately \$450,000. This is followed the Higher Multifamily scenario, which also generates average

annual net *revenues* over the long-term, approximately \$40,000. The remaining three scenarios generate net deficits, with the Higher Employment generating the smallest deficit, approximately \$720,000. This is followed by Current Trends (\$960,000) and Slower Growth (\$1.23 million).

- The Higher Retail scenario produces the best results because of the additional 1.5 million square feet of retail space assumed under this scenario.
- Over the 22-year analysis period, the Higher Multifamily scenario produces the second best results. Although essentially the same number of housing units is constructed as under Current Trends, multifamily units generate less costs on a per unit basis than lower density, single family-detached units for services such as law enforcement, health and parks and recreation than. These lower costs are greater than the loss in property taxes due to lower values.
- Similar to the Higher Retail scenario, the Higher Employment scenario produces the third best results because of the over 1.1 million square feet of additional nonresidential space assumed under this scenario.

EXHIBIT 8

Average Annual General Funds Results



- The Current Trends scenario is the second to worst scenario, showing average annual deficits of \$1.35 million and \$960,000 in 2010 and 2020, respectively. This indicates that the County's existing revenue structure should be evaluated.
- The Slower Growth scenario produces the largest deficits because the revenues (primarily Property Tax and Local Option Sales Tax) are not enough to cover the operating costs associated with new capital facilities that are built, relative to the other scenarios.
- The average annual net revenues of \$450,000 generated by the Higher Retail scenario from 1999 to 2020 is less than 1% of the FY99 General Fund budget. This could be considered, within the margin of error, as fiscally neutral.

Other Funds

Exhibit 9 summarizes the average annual net fiscal results (revenues minus operating expenditures) for the other County Funds. The net results for all five scenarios are shown and include operating and capital expenses and revenues as defined in the separate Level of Service document. All results are those accruing from new growth only, and do not include costs and revenues from the existing population and employment base of the County.

As **Exhibit 9** indicates, all scenarios generate average annual net *deficits*. Over the short-term (1999 to 2010), the Higher Retail scenario produces the smallest deficits, average annual net *deficits* of approximately \$11.23 million. This is followed by Higher Employment (\$14.14 million), Current Trends (\$15.03 million), Higher Multifamily (\$15.64 million) and Slower Growth (\$16.13 million).

Over the 22-year analysis period, the Higher Retail scenario generates the best result, average annual net *deficits* of approximately \$8.80 million. This is followed the Higher Employment (\$14.03 million), Higher Multifamily (\$15.35 million), Current Trends (\$15.38 million) and Slower Growth (\$15.44 million).

Major reasons for the results are summarized below.

EXHIBIT 9

Average Annual Results from New Growth, 2010 and 2020 All Other Funds

| | Current Trends | | Slower Growth | | Higher MF | | Higher Retail | | Higher Emp | |
|------------------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|-----------------|------------------|------------------|
| | 2010 | 2020 | 2010 | 2020 | 2010 | 2020 | 2010 | 2020 | 2010 | 2020 |
| General Purpose School Fund | (\$5.36) | (\$8.60) | (\$4.60) | (\$6.55) | (\$8.29) | (\$2.46) | (\$3.59) | (\$4.73) | (\$4.73) | (\$7.65) |
| School Construction Fund | \$3.80 | \$7.57 | \$2.11 | \$5.75 | \$3.45 | \$7.36 | \$4.43 | \$8.663 | \$3.99 | \$7.85 |
| General Debt Fund | (\$12.16) | (\$12.86) | (\$12.41) | (\$13.36) | (\$12.24) | (\$12.99) | (\$12.13) | (\$12.82) | (\$12.14) | (\$12.84) |
| Recreation Construction Fund | (\$0.25) | (\$0.45) | (\$0.18) | (\$0.31) | (\$0.18) | (\$0.34) | (\$0.23) | (\$0.42) | (\$0.24) | (\$0.45) |
| Solid Waste Fund | \$0.13 | \$0.23 | \$0.10 | \$0.17 | \$0.16 | \$0.26 | \$0.13 | \$0.24 | \$0.13 | \$0.23 |
| Library Fund | (\$1.02) | (\$0.91) | (\$1.02) | (\$0.88) | (\$1.05) | (\$0.96) | (\$1.00) | (\$0.89) | (\$1.01) | (\$0.89) |
| Highway Fund | (\$0.18) | (\$0.34) | (\$0.13) | (\$0.27) | (\$0.24) | (\$0.40) | (\$0.03) | (\$0.02) | (\$0.14) | (\$0.28) |
| TOTAL | (\$15.03) | (\$15.38) | (\$16.13) | (\$15.44) | (\$15.64) | (\$15.35) | (\$11.23) | (\$8.80) | (\$14.14) | (\$14.03) |

- The reasons for the scenario results are due primarily to the reasons discussed above for the General Fund.
- The School Construction and Solid Waste Funds are the only Funds that generate net *revenues* under all scenarios. The School Construction Fund benefits from the excess capacity that exists in the Knox County School System and the Solid Waste Fund results indicate that its revenue structure is sufficient.
- The Highway Fund generates net *revenues* under Higher Retail. This is because Local Option Sales Tax is the largest revenue source for this Fund and is distributed in the State of Tennessee using a situs-based (point-of-sale) formula.
- The results for the General Debt Fund suggest that the County may want to consider alternative revenue sources, such as impact fees, to assist with funding new growth's fair share of capital facility needs.

EXHIBIT 10

Transfer to Funds (\$1,000's)

| | <i>22-Year Total</i> | <i>Average Annual</i> |
|------------------------------|--------------------------|---------------------------|
| General Purpose School Fund | \$189,210 | \$8,600 |
| School Construction Fund | 1,037 | 47 |
| General Debt Fund Recreation | 283,010 | 12,864 |
| Construction Fund | 9,972 | 453 |
| Solid Waste Fund | 0 | 0 |
| Library Fund | 20,114 | 914 |
| Highway Fund | 7,597 | 345 |
| TOTAL | \$510,940 | \$23,225 |

Conclusions

Based on the analysis, the County is not in a position to provide current levels of service to new development under the present revenue structure without finding new revenue sources or raising existing rates. Otherwise, the existing development base will have to subsidize new growth, or existing levels of service will have to be decreased. The County should evaluate the existing revenue structure in the near term.

This becomes more apparent when the transfers that would be required from the General Fund to balance the deficits generated by new growth on the County's various Funds are shown. As Exhibit 10 illustrates, the General Fund would need to transfer almost \$511 million, or \$23 million annually, over the 22-year analysis period to balance the various County Funds under Current Trends.

Exhibit 11 shows the *adjusted* average annual results to the General Fund if it were necessary to transfer General Fund dollars to cover deficits generated by other Funds. This adjustment has tremendous impact on the fiscal results. Average annual deficits *increase* from \$1.35 million to \$20.4 million over the short-term (1999 to 2010), an increase of over \$19 million. Instead of average annual deficits decreasing over the long-term (1999 to 2020), the deficits *increase* from \$960,000 to \$24.18 million, an increase of over \$23 million.

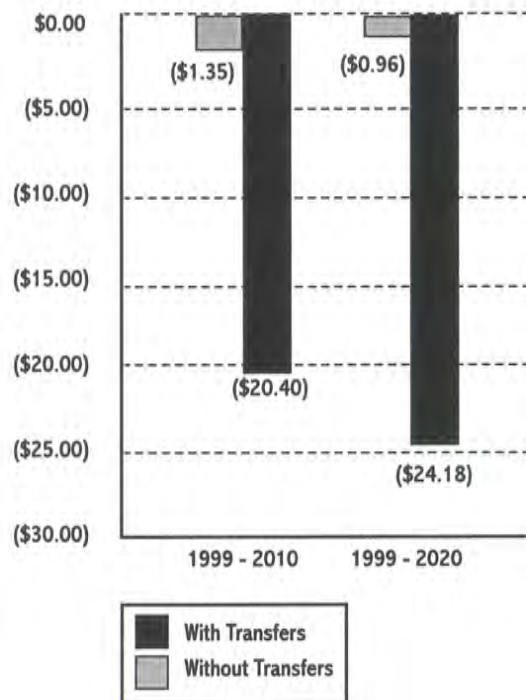
The analysis illustrates the importance of Local Option Sales Tax to the County's current revenue structure. This is particularly true with the General Purpose School, School Construction and Highway Funds. Given the fact this clearly in the County's best interest to have new retail uses locate within the unincorporated County versus the City of Knoxville.

Although not surprising, the analysis also shows that if the County is to encourage the current residential development pattern in the future, it clearly benefits fiscally from attracting additional economic development (i.e., nonresidential square footage). The primary reasons are increased Local Option Sales Tax (retail space) and Property Tax (all nonresidential space).

Because of the lower per unit costs associated with lower household sizes and other characteristics, the County also benefits fiscally by encouraging higher density, multifamily housing.

It is important to acknowledge that fiscal issues are only one concern. Environmental, land use, housing affordability, jobs/housing balance, and traffic issues must also be taken into consideration when making any final decisions on what is best for Knox County.

EXHIBIT 11
Average Annual Results With and Without Transfers



APPENDIX A

Summary of Public Participation

GROWTH POLICY COORDINATING COMMITTEE

| DATE & TIME | LOCATION | DESCRIPTION OF MEETING |
|---------------------------------|---|---------------------------------------|
| December 1, 1998 – 7:45 a.m. | County Executive's Conference Room | Organization Meeting |
| January 12, 1999 -8:00 a.m. | Andrew Johnson Ballroom | GPCC Workshop |
| February 9, 1999 – 8:00 a.m. | Andrew Johnson Ballroom | Presentations to GPCC |
| February 25, 1999 – 7:00 p.m. | Main Assembly Room, City County Building | Public Information Seminar |
| March 9, 1999 – 8:00 a.m. | Andrew Johnson Ballroom | Presentations to GPCC |
| April 13, 1999 – 5:30 p.m. | Small Assembly Room, City County Building | Presentations to GPCC |
| April 30, 1999 – 8:00 a.m. | Main Assembly Room, City County Building | Presentations to GPCC |
| May 28, 1999 – 8:00 a.m. | Main Assembly Room, City County Building | Presentations to GPCC |
| June 8, 1999 – 8:00 a.m. | Main Assembly Room, City County Building | Presentations to GPCC |
| June 25, 1999 – 8:00 a.m. | Main Assembly Room, City County Building | Presentations to GPCC |
| July 7, 1999 – 8:00 a.m. | Main Assembly Room, City County Building | Presentations to GPCC |
| July 13, 1999 – 8:00 a.m. | Main Assembly Room, City County Building | Presentations to GPCC |
| August 10, 1999 – 8:00 a.m. | Main Assembly Room, City County Building | Presentations to GPCC |
| August 27, 1999 – 8:00 a.m. | Main Assembly Room, City County Building | Presentations to GPCC |
| September 15, 1999 – 10:00 a.m. | Small Assembly Room, City County Building | Public Informational Workshop by GPCC |
| September 15, 1999 – 6:00 p.m. | Main Assembly Room, City County Building | Public concerns heard by GPCC |
| October 4, 1999 – 3:00 p.m. | Ijams Nature Center | GPCC Workshop |
| October 12, 1999 – 3:00 p.m. | Ijams Nature Center | GPCC Workshop |
| October 21, 1999 – 3:00 p.m. | Ijams Nature Center | South Sector GPCC Workshop |
| October 27, 1999 – 3:00 p.m. | John T. O'Connor Center | East Sector GPCC Workshop |
| November 1, 1999 – 4:00 p.m. | Fountain City Lion's Club | North Sector GPCC Workshop |
| November 9, 1999 – 3:00 p.m. | Cedar Bluff Branch Library | West Sector GPCC Workshop |
| November 15, 1999 – 8:00 a.m. | Main Assembly Room, City County Building | GPCC Workshop |
| November 16, 1999 – 9:00 a.m. | Lawson McGhee Library | GPCC Workshop |
| November 18, 1999 – 5:30 p.m. | Main Assembly Room, City County Building | GPCC Workshop |
| November 19, 1999 | City County Building | GPCC Workshop |
| November 22, 1999 – 5:00 p.m. | Small Assembly Room, City County Building | GPCC Workshop |
| November 29, 1999 – 5:00 p.m. | Small Assembly Room, City County Building | GPCC Workshop |
| November 30, 1999 – 8:00 a.m. | Andrew Johnson Ballroom | GPCC Workshop |
| December 1, 1999 – 5:00 p.m. | Small Assembly Room, City County Building | GPCC Workshop |
| December 2, 1999 – 5:30 p.m. | Main Assembly Room, City County Building | GPCC Workshop |
| December 6, 1999 – 8:30 a.m. | Small Assembly Room, City County Building | GPCC Workshop |
| December 7, 1999 – 5:00 p.m. | Room 453, City County Building | GPCC Workshop |
| December 8, 1999 – 5:30 p.m. | Main Assembly Room, City County Building | GPCC Workshop |
| December 13, 1999 – 5:00 p.m. | Small Assembly Room | GPCC Workshop |
| December 15, 1999 – 5:30 p.m. | Main Assembly Room, City County Building | GPCC Public Hearing |
| December 16, 1999 – 5:30 p.m. | Main Assembly Room, City County Building | GPCC Public Hearing |
| December 20, 1999 – 5:30 p.m. | Small Assembly Room, City County Building | GPCC Workshop |
| January 6, 2000 – 5:00 p.m. | Andrew Johnson Ballroom | GPCC Workshop |
| January 12, 2000 – 1:00 p.m. | Main Assembly Room | GPCC Workshop |

KNOX COUNTY COMMISSION GROWTH POLICY COMMITTEE

| | | |
|-------------------|--|------------------------|
| February 25, 1999 | Andrew Johnson Building | Committee Meeting |
| March 4, 1999 | Andrew Johnson Building | Committee Meeting |
| March 11, 1999 | Room 549, City County Building | Committee Meeting |
| March 18, 1999 | Andrew Johnson Building | Committee Meeting |
| March 25, 1999 | Andrew Johnson Building | Committee Meeting |
| April 8, 1999 | Andrew Johnson Building | Committee Meeting |
| April 15, 1999 | Andrew Johnson Building | Committee Meeting |
| May 11, 1999 | Frank Strange Senior Center | Public Hearing |
| June 22, 1999 | Powell High School Auditorium | Public Hearing |
| June 30, 1999 | Andrew Johnson Building | Public Hearing |
| July 8, 1999 | Andrew Johnson Building | Public Hearing |
| July 8, 1999 | Ritta Elementary Auditorium | Public Hearing |
| July 22, 1999 | Room 640, City County Building | Committee Meeting |
| July 26, 1999 | Main Assembly Room, City County Building | County Commission Vote |
| July 29, 1999 | South Doyle Middle School | Public Hearing |

CITY OF KNOXVILLE

| | | |
|-----------------------------|---|-----------------------|
| July 28, 1999 – 6:00 p.m. | Dean Hill Recreation Center | Public Hearing |
| July 29, 1999 – 10:00 a.m. | 5 th Floor, City County Building | Public Hearing |
| July 29, 1999 – 5:00 p.m. | Cal Johnson Recreation Center | Public Hearing |
| August 19, 1999 – 4:00 p.m. | Main Assembly Room, City County Building | City Council Workshop |
| August 24, 1999 – 7:00 p.m. | Norwood Elementary School | City Council Workshop |

TOWN OF FARRAGUT

| | | |
|--------------------------|--------------------|--|
| May 6, 1999 | Farragut Town Hall | Planning Commission Workshop |
| May 27, 1999 – 2:00 p.m. | Farragut Town Hall | Public Hearing |
| June 1, 1999 – 7:00 p.m. | Farragut Town Hall | Public Hearing |
| June 3, 1999 | Farragut Town Hall | Planning Commission Workshop |
| June 17, 1999 | Farragut Town Hall | Approved by Planning Comm. |
| June 24, 1999 | Farragut Town Hall | Approved by the Farragut Board of Mayor and Aldermen |

APPENDIX B
Land Forecast Models

APPENDIX B: LAND FORECAST MODELS: CITY OF KNOXVILLE

Knoxville Land Use Statistics: Projected Land Needs

Res. Mkt. Factor a% / Comm. Mkt. Factor b% / SF Density c / MF Density d / SF:MF Ratio e-f

Based on UTCBER population projections (Change source/population projections as necessary)
Includes revised (7/99) land use figures from KGIS
Prepared for the City of Knoxville

Variable:

- a. Residential Market Factor (%): 25.000
- b. Commercial Market Factor (%): 25.000
- c. Single Family Residential Density (units/acre): 2.750
- d. Multi Family Residential Density (units/acre): 12.000
- e. Single Family Share of Residential Units (%): 58.000
- f. Multi Family Share of Residential Units (%): 42.000
- g. Park Acreage per 1000 Residents (16.25 default): 16.250
- h. Calculated ROW Ratio (DO NOT CHANGE): 2.976

Enter Value:

- a. Residential Market Factor (%): 25.000
- b. Commercial Market Factor (%): 25.000
- c. Single Family Residential Density (units/acre): 2.750
- d. Multi Family Residential Density (units/acre): 12.000
- e. Single Family Share of Residential Units (%): 58.000
- f. Multi Family Share of Residential Units (%): 42.000
- g. Park Acreage per 1000 Residents (16.25 default): 16.250
- h. Calculated ROW Ratio (DO NOT CHANGE): 2.976

| Land Use | Existing Sq. Mi. 1998 | Existing Sq. Mi./1000 Population 1998 | Projected Sq. Mi. 2010 | Projected Sq. Mi. 2020 | Net New Land Developed | |
|--|-----------------------|---------------------------------------|--------------------------------|--------------------------------|---|---|
| | | | | | Sq. Mi. 1998-2010 | Sq. Mi. 2010-2020 |
| Unconstrained Agriculture/Forestry/Vacant Land | 10.603 | 0.064 | -2.869 | -11.103 | 0.000 | 0.000 |
| Constrained Agriculture/Forestry/Vacant Land | 6.428 | 0.039 | 6.428 | 6.428 | 0.000 | 0.000 |
| Rural Residential | 3.988 | 0.024 | 3.988 | 3.988 | 0.000 | 0.000 |
| Water | 5.192 | 0.031 | 5.192 | 5.192 | 0.000 | 0.000 |
| Parks, Recreation | 2.433 | 0.015 | 4.684 | 5.011 | 2.251 | 0.326 |
| Public/Quasi-Public Land | 10.192 | 0.062 | 11.650 | 12.640 | 1.458 | 2.448 |
| Single Family Residential | 26.468 | 0.160 | 31.052 | 34.261 | 4.584 | 3.199 |
| Multifamily Residential | 3.329 | 0.020 | 4.091 | 4.622 | 0.762 | 1.293 |
| Office | 2.011 | 0.012 | 2.299 | 2.494 | 0.288 | 0.195 |
| Commercial | 4.801 | 0.029 | 5.486 | 5.954 | 0.687 | 0.466 |
| Industrial | 2.232 | 0.013 | 2.551 | 2.768 | 0.319 | 0.217 |
| Other Private/Business Uses | 2.552 | 0.015 | 2.917 | 3.165 | 0.365 | 0.248 |
| Rights-Of-Way | 17.331 | 0.105 | 20.176 | 22.141 | 2.847 | 1.964 |
| Total Land (if unconstrained inventory is depleted) | 97.560 | 0.589 | 100.528 | 108.663 | 13.572 | 8.135 |
| Total Land (if unconstrained inventory is not depleted) | 97.560 | 0.589 | 97.560 | 97.560 | | 21.706 |
| Calculations | | | Net Additions 1998-2010 | Net Additions 2010-2020 | Unadj. Needed New Land 1998-2010 (sq. mi.) | Unadj. Needed New Land 2010-2020 (sq. mi.) |
| Population | 1998 | 2010 | 2020 | | | |
| Knoxville (UTCBER) | 185,540 | 184,487 | 197,343 | 18,947 | 12,856 | |
| Residential Units | 1998 | 2010 | 2020 | Net Additions 1998-2010 | Net Additions 2010-2020 | Adj. Needed New Land 2010-2020 (sq. mi.) |
| Knoxville (UTCBER) | 82,717 | 93,859 | 101,634 | 11,152 | 7,765 | 3,729 |
| Single Family | 47,976 | 54,444 | 58,948 | 6,468 | 4,504 | 3,199 |
| Multi-Family | 34,741 | 39,425 | 42,686 | 4,684 | 3,261 | 0,531 |

- Notes:**
1. Constraints on Ag. For., and Vacant land include environmental restrictions such as extreme slopes, hydric soils, sinkholes, and floodplains.
 2. Constrained lands and rural residential acreage inventories in 1998 are preserved -- no additional development is shown across the growth scenarios.
 3. Acreage in the Unconstrained Ag. For., Vacant category is calculated as the difference between total city area and the total area consumed by all other land use categories. Therefore, in those cases where more land is required for other use categories than is available for removal from the Unconstrained category, a negative-acreage value will result, and the excess need for land is added to the total, city-wide acreage.
 4. Other Private/Business Uses=Mining, transportation/communications/utilities, wholesale, under construction, and unknown uses.
 5. Parks, recreation=Default standard defined in Knox County Parks Plan, measured at 16.25 acres per 1000 population.
 6. Land needs for Public/Quasi-Public, Office, Commercial, Industrial, and Other Private Uses are based on ratio of selected land category to population.
 7. ROW=Existing ratio of "developed land" to ROW was applied across all scenarios to calculate projected ROW area. ("Developed Land" is defined as public/quasi-public, single family residential, multifamily residential, office, commercial, industrial, and other.)

APPENDIX B: LAND FORECAST MODELS: CITY OF KNOXVILLE (continued)

Comparison of Alternative Development Projections for Knoxville's Urban Growth Boundary (UGB)

| Alternative | Total New Development (sq. mi.) | New Development in UGB (sq. mi.) | Infill in City (sq. mi.) | Projected County Population | Projected City Population | Market Factor | Single Family Density (d.u./ac.) | Multi Family Density (d.u./ac.) | Single Family Share (%) | Multi Family Share (%) |
|-------------|---------------------------------|----------------------------------|--------------------------|-----------------------------|---------------------------|---------------|----------------------------------|---------------------------------|-------------------------|------------------------|
| City | 43.46 | 38.66 | 4.8 | 457,145 | 208,412 | 50%, 100% | 2.5 | 8 | 58 | 42 |
| County Exec | 9.73 | 3.02 | 6.71 | 457,145 | 176,226 | 40% | 3 | 16 | 58 | 42 |
| Alt E | 23.99 | 18.29 | 5.7 | 432,866 | 197,343 | 40% | 2.75 | 12 | 58 | 42 |
| Alt F | 22.53 | 16.83 | 5.7 | 432,866 | 197,343 | 40% | 3 | 16 | 58 | 42 |
| Alt G | 21.69 | 15.99 | 5.7 | 432,866 | 197,343 | 25% | 2.75 | 12 | 58 | 42 |
| Alt H | 20.39 | 14.69 | 5.7 | 432,866 | 197,343 | 25% | 3 | 16 | 58 | 42 |
| Alt I | 22.46 | 16.76 | 5.7 | 432,866 | 197,343 | 30% | 2.75 | 12 | 58 | 42 |
| Alt J | 21.10 | 15.40 | 5.7 | 432,866 | 197,343 | 30% | 3 | 16 | 58 | 42 |
| Alt K | 20.93 | 15.23 | 5.7 | 432,866 | 197,343 | 20% | 2.75 | 12 | 58 | 42 |
| Alt L | 19.68 | 13.98 | 5.7 | 432,866 | 197,343 | 20% | 3 | 16 | 58 | 42 |
| Alt M | 20.16 | 14.46 | 5.7 | 432,866 | 197,343 | 15% | 2.75 | 12 | 58 | 42 |
| Alt N | 18.97 | 13.27 | 5.7 | 432,866 | 197,343 | 15% | 3 | 16 | 58 | 42 |
| Alt O | 19.40 | 13.70 | 5.7 | 432,866 | 197,343 | 10% | 2.75 | 12 | 58 | 42 |
| Alt P | 18.25 | 12.55 | 5.7 | 432,866 | 197,343 | 10% | 3 | 16 | 58 | 42 |
| Alt Q | 23.22 | 17.52 | 5.7 | 432,866 | 197,343 | 35% | 2.75 | 12 | 58 | 42 |
| Alt R | 23.22 | 17.52 | 5.7 | 432,866 | 197,343 | 35% | 3 | 16 | 58 | 42 |

1. The "Infill in City" number is the average of numbers proposed by the County Executive and the City. No "market factor" is included in this number.

2. Population projections for Alternatives E through R were prepared by the U. T. Center for Business and Economic Research

3. The County Executive's proposal assumes that, in the City, 58% of new dwelling units will be single family, and in the unincorporated area 65% will be single family.

4. The 40% market factor adjustment comes from the County Executive's proposal. The 25% market factor was suggested by Larry Fraser, AICP, at the Committee's meeting at Cedar Bluff Library on Nov. 9. Mr. Fraser is a consultant for the County utility districts.

APPENDIX B: LAND FORECAST MODELS: KNOX COUNTY

Knox County Balance Land Use Statistics: Projected Land Needs TEMPLATE
Res. Mkt. Factor a% / Comm. Mkt. Factor b% / SF Density c / MF Density d / SF:MF Ratio f g

Based on UTCBER population projections
Includes revised (7/99) land use figures from KGIS
Prepared for the Growth Policy Coordinating Committee

December 3, 1999

Enter Value:

- a. Residential Market Factor (%): 25.000
- b. Commercial Market Factor (%): 25.000
- c. Single Family Residential Density (units/acre): 2.500
- d. Multi Family Residential Density (units/acre): 12.000
- e. Rural Residential Density (units/acre): 0.500
- f. Total Single Family Share of Residential Units (%): 75.000
- g. Multi Family Share of Residential Units (%): 25.000
- h. Urban Share SF Resid. Units (%): 60.000
- i. Rural Share SF Resid. Units (%): 15.000
- j. Park Acreage per 1000 Residents (16.25 default): 16.250
- k. Calculated ROW Ratio (DO NOT CHANGE): 3.583

Variables:

- a. Residential Market Factor (%): 25.000
- b. Commercial Market Factor (%): 25.000
- c. Single Family Residential Density (units/acre): 2.500
- d. Multi Family Residential Density (units/acre): 12.000
- e. Rural Residential Density (units/acre): 0.500
- f. Total Single Family Share of Residential Units (%): 75.000
- g. Multi Family Share of Residential Units (%): 25.000
- h. Urban Share SF Resid. Units (%): 60.000
- i. Rural Share SF Resid. Units (%): 15.000
- j. Park Acreage per 1000 Residents (16.25 default): 16.250
- k. Calculated ROW Ratio (DO NOT CHANGE): 3.583

| Land Use | Existing | | Existing Sq. Mi./1000 Population | Projected Sq. Mi. 2010 | Projected Sq. Mi. 2020 | Net New Land Developed | | Net New Land Developed Sq. Mi. 1998-2020 |
|--|----------------|----------------|----------------------------------|------------------------|------------------------|------------------------|-------------------|--|
| | Sq. Mi. 1998 | Sq. Mi. 2010 | | | | Sq. Mi. 1998-2010 | Sq. Mi. 2010-2020 | |
| Unconstrained Agriculture/Forestry/Vacant Land | 152.612 | 132.787 | 0.825 | 119.517 | 0.000 | 0.000 | 0.000 | |
| Constrained Agriculture/Forestry/Vacant Land | 94.288 | 94.288 | 0.511 | 94.288 | 0.000 | 0.000 | 0.000 | |
| Rural Residential | 49.602 | 56.876 | 0.269 | 62.080 | 7.274 | 5.204 | 12.478 | |
| Water | 11.435 | 11.435 | 0.062 | 11.435 | 0.000 | 0.000 | 0.000 | |
| Parks, Recreation | 3.064 | 5.097 | 0.017 | 5.405 | 2.033 | 0.326 | 2.361 | |
| Public/Quasi-Public Land | 7.274 | 8.067 | 0.039 | 8.703 | 0.792 | 0.636 | 1.429 | |
| Single Family Residential | 58.802 | 64.821 | 0.318 | 68.784 | 5.819 | 4.163 | 9.982 | |
| Multi-Family Residential | 2.905 | 3.410 | 0.016 | 3.771 | 0.865 | 0.381 | 0.866 | |
| Office | 1.434 | 1.390 | 0.008 | 1.716 | 0.156 | 0.125 | 0.282 | |
| Commercial | 2.878 | 3.191 | 0.016 | 3.443 | 0.314 | 0.252 | 0.565 | |
| Industrial | 2.479 | 2.749 | 0.013 | 2.966 | 0.270 | 0.217 | 0.487 | |
| Other Private/Business Uses | 3.368 | 3.724 | 0.018 | 4.029 | 0.367 | 0.295 | 0.662 | |
| Rights-Of-Way | 22.090 | 24.385 | 0.120 | 26.074 | 2.295 | 1.689 | 3.984 | |
| Total | 412.230 | 412.230 | 2.232 | 412.230 | 412.230 | 13.270 | 33.095 | |

| Calculations | Net Additions | | Net Additions 1998-2010 | Net Additions 2010-2020 | Net Additions 1998-2020 | Unadj. Needed New Land | | Adj. Needed New Land 2010-2020 (sq. mi.) |
|---------------------|----------------|----------------|-------------------------|-------------------------|-------------------------|------------------------|---------------|--|
| | 1998 | 2020 | | | | 1998-2010 | 2010-2020 | |
| Population | 184,652 | 200,745 | 16,093 | 12,925 | 16,093 | 12,925 | 16,093 | 12,925 |
| Knox County Balance | 82,772 | 104,067 | 12,414 | 8,881 | 12,414 | 8,881 | 10,878 | 9,728 |
| Residential Units | 49,663 | 62,440 | 7,448 | 5,329 | 7,448 | 5,329 | 4,655 | 4,163 |
| Single Family | 20,693 | 26,017 | 3,104 | 2,220 | 26,017 | 2,220 | 0,404 | 0,361 |
| Multi-Family | 12,416 | 14,278 | 1,862 | 1,332 | 15,610 | 1,332 | 5,819 | 7,274 |
| Rural Residential | | | | | | | 7,882 | 13,598 |
| | | | | | | | 3,330 | 5,819 |
| | | | | | | | 0,289 | 0,505 |
| | | | | | | | 4,163 | 5,204 |

- Notes:**
1. Constraints on Ag. For., and Vacant land include environmental restrictions such as extreme slopes, hydric soils, sinkholes, and floodplains.
 2. Constrained land inventory in 1998 is preserved -- no additional development is shown across the growth scenarios.
 3. The inventory of unconstrained vacant land provides the source of land for new development in all other land use categories.
 4. Other Private/Business Uses--Mining, transportation/communications/utilities, wholesale, under construction, and unknown uses.
 5. Parks, recreation=Default standard defined in Knox County Parks Plan, measured at 16.25 acres per 1000 population.
 6. Land needs for Public/Quasi-Public, Office, Commercial, Industrial, and Other Private Uses are based on ratio of selected land category to population.
 7. ROW=Existing ratio of "developed land" to ROW was applied across all scenarios to calculate projected ROW area.
- (*Developed Land" is defined as public/quasi-public, single family residential, multifamily residential, office, commercial, industrial, and other.)

APPENDIX B: LAND FORECAST MODELS: KNOX COUNTY (continued)

Calculation of Knox County's Planned Growth Area (PGA)

December 3, 1999

| Alternative | Total New County Balance Development (sq. mi.) | | Total PGA (sq. mi.) | Market Factor (%) | Single Family Density (d.u./ac.) | Multi Family Density (d.u./ac.) | Rural Residential Density (d.u./ac.) | PGA | | Rural Residential Share (%) | City of Knoxville Area (sq. mi.) | City of Knoxville UGB Extension (sq. mi.) | Town of Farragut Area (sq. mi.) | Town of Farragut UGB Extension (sq. mi.) |
|-------------|--|-------------------------------|---------------------|-------------------|----------------------------------|---------------------------------|--------------------------------------|-------------------------|------------------------|-----------------------------|----------------------------------|---|---------------------------------|--|
| | Development (sq. mi.) | New PGA Development (sq. mi.) | | | | | | Single Family Share (%) | Multi Family Share (%) | | | | | |
| Alt 1 | 27.46 | 23.30 | 127.59 | 25.0 | 2.50 | 8.00 | 0.5 | 70.0 | 25.0 | 5.0 | 97.56 | 16.10 | 16.21 | 0.80 |
| Alt 2 | 30.55 | 22.24 | 126.53 | 25.0 | 2.50 | 8.00 | 0.5 | 65.0 | 25.0 | 10.0 | 97.56 | 16.10 | 16.21 | 0.80 |
| Alt 3 | 33.65 | 21.17 | 125.47 | 25.0 | 2.50 | 8.00 | 0.5 | 60.0 | 25.0 | 15.0 | 97.56 | 16.10 | 16.21 | 0.80 |
| Alt 4 | 27.13 | 22.97 | 127.26 | 25.0 | 2.50 | 10.00 | 0.5 | 70.0 | 25.0 | 5.0 | 97.56 | 16.10 | 16.21 | 0.80 |
| Alt 5 | 30.22 | 21.90 | 126.20 | 25.0 | 2.50 | 10.00 | 0.5 | 65.0 | 25.0 | 10.0 | 97.56 | 16.10 | 16.21 | 0.80 |
| Alt 6 | 33.32 | 20.84 | 125.13 | 25.0 | 2.50 | 10.00 | 0.5 | 60.0 | 25.0 | 15.0 | 97.56 | 16.10 | 16.21 | 0.80 |
| Alt 7 | 26.91 | 22.75 | 127.04 | 25.0 | 2.50 | 12.00 | 0.5 | 70.0 | 25.0 | 5.0 | 97.56 | 16.10 | 16.21 | 0.80 |
| Alt 8 | 30.00 | 21.68 | 125.98 | 25.0 | 2.50 | 12.00 | 0.5 | 65.0 | 25.0 | 10.0 | 97.56 | 16.10 | 16.21 | 0.80 |
| Alt 9 | 33.10 | 20.62 | 124.91 | 25.0 | 2.50 | 12.00 | 0.5 | 60.0 | 25.0 | 15.0 | 97.56 | 16.10 | 16.21 | 0.80 |
| Formulae | 33.10 | 20.62 | 124.91 | 25.0 | 2.50 | 12.00 | 0.5 | 60.0 | 25.0 | 15.0 | 97.56 | 16.10 | 16.21 | 0.80 |

Notes:

1. Total new PGA development is the sum of 1998 to 2020 land development in all categories, minus the new development area of rural residential land.
2. Total PGA area is comprised of the 1998 inventory of developed land in the Knox County balance, plus the new PGA development, minus rural residential, minus the City of Knoxville's extension of UGB, minus the Town of Farragut's extension of UGB.

APPENDIX B: LAND FORECAST MODELS: KNOX COUNTY (continued)

Calculation of Knox County Balance Land Use by Category (sq. mi.)

November 24, 1999

| Land Use Category | Knox County (sq. mi.) | City of Knoxville (sq. mi.) | Town of Farragut (sq. mi.) | Knox County Balance (sq. mi.) | Knox County Balance Developed Land Only (sq. mi.) |
|--|-----------------------|-----------------------------|----------------------------|-------------------------------|---|
| Unconstrained Agriculture/Forestry/Vacant Land | 169.042 | 10.603 | 5.827 | 152.612 | |
| Constrained Agriculture/Forestry/Vacant Land | 101.878 | 6.428 | 1.163 | 94.288 | |
| Rural Residential | 53.590 | 3.988 | 0.000 | 49.602 | |
| Water | 16.627 | 5.192 | 0.000 | 11.435 | |
| Parks, Recreation | 6.434 | 2.433 | 0.937 | 3.064 | 3.064 |
| Public/Quasi-Public Land | 17.976 | 10.192 | 0.510 | 7.274 | 7.274 |
| Single Family Residential | 90.649 | 26.468 | 5.379 | 58.802 | 58.802 |
| Multifamily Residential | 6.427 | 3.329 | 0.193 | 2.905 | 2.905 |
| Office | 3.699 | 2.011 | 0.254 | 1.434 | 1.434 |
| Commercial | 7.933 | 4.801 | 0.254 | 2.878 | 2.878 |
| Industrial | 4.711 | 2.232 | 0.000 | 2.479 | 2.479 |
| Other Private/Business Uses | 5.971 | 2.552 | 0.051 | 3.368 | 3.368 |
| Rights-Of-Way | 41.063 | 17.331 | 1.642 | 22.090 | 22.090 |
| Total (sq. mi.) | 526.000 | 97.560 | 16.210 | 412.230 | 104.293 |

Notes:

1. Town of Farragut land use data taken from *Farragut Urban Growth Boundary Report*, June 24, 1999.
2. Town of Farragut provided only a combined total for office and commercial property (325.2 ac). For the calculations here, half of the total acreage was assigned to the office category, the remainder to the commercial category.
3. Town of Farragut utilities acreage was assigned to the Other Private/Business Uses category, consistent with land assignment used in the Knox County and City of Knoxville inventories.

APPENDIX B: LAND FORECAST MODELS: KNOX COUNTY (continued)

Calculation of Knox County Balance Population and Residential Units

November 24, 1999

| Population | 1998 | 2010 | 2020 |
|--------------------------|-------------|-------------|-------------|
| Knox County (UTCBER) | 366,846 | 404,666 | 432,866 |
| Knoxville (UTCBER) | 165,540 | 184,487 | 197,343 |
| Farragut (UTCBER) | 16,654 | 19,434 | 21,853 |
| Knox County Balance | 184,652 | 200,745 | 213,670 |
| Residential Units | 1999 | 2010 | 2020 |
| Knox County (UTCBER) | 172,095 | 197,306 | 215,361 |
| Knoxville (UTCBER) | 82,717 | 93,869 | 101,634 |
| Farragut (UTCBER) | 6,606 | 8,251 | 9,660 |
| Knox County Balance | 82,772 | 95,186 | 104,067 |

Notes:

1. The population figure shown for Farragut in 1998 is actually the 1996 figure reported in the Farragut special census. The 1996 count was also used by the Town of Farragut and the State of Tennessee Department of Economic and Community Development Local Planning Assistance Office in the *Farragut Urban Growth Boundary Report*, June 24, 1999.
2. For the Town of Farragut, MPC population and housing unit projections show an estimated SF share of 74.94 percent of all residential permits, while the MF share was 25.06 percent of all permits approved from 1990 through 1998. For MPC's County sectors (exclusive of City sectors), the shares were 74.44 percent SF and 25.56 percent MF during the same period.

APPENDIX B: LAND FORECAST MODELS: KNOX COUNTY (continued)

Housing Units Served by Sanitary Sewer, 1980 and 1990

November 24, 1999

| Area | All Units | | Sewered Units | | Not-Sewered Units | |
|---------------------|-----------|---------|---------------|------|-------------------|------|
| | 1990 | 1980 | 1990 | 1980 | 1990 | 1980 |
| Knox County | 143,582 | 125,803 | 107,538 | na | 36,044 | na |
| Farragut | 4,451 | 0 | 3,380 | na | 1,071 | na |
| Knoxville | 76,453 | 73,235 | 74,884 | na | 1,569 | na |
| Knox County Balance | 62,678 | 52,568 | 29,274 | na | 33,404 | na |

Sources:

1. Bureau of the Census, Census of Population and Housing, 1980.
2. Bureau of the Census, Census of Population and Housing, 1990.

APPENDIX C

Public Chapter 1101

CHAPTER NO. 1101

SENATE BILL NO. 3278

By Rochelle

Substituted for: House Bill No. 3295

By Kisber, Walley, Rinks, McDaniel, Curtiss

AN ACT To amend Tennessee Code Annotated, Title 4; Title 5; Title 6; Title 7; Title 13; Title 49; Title 67 and Title 68, relative to growth.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1.

As used in this act, unless the context otherwise requires:

- (1) "Committee" means the local government planning advisory committee established by §4-3-727.
- (2) "Council" means the joint economic and community development council established by Section 15 of this act.
- (3) "Growth Plan" means the plan each county must file with the committee by July 1, 2001, as required by the provisions of Section 8.
- (4) "Planned growth area" means an area established in conformance with the provisions of Section 7(b) and approved in accordance with the requirements of Section 5.
- (5) "Rural area" means an area established in conformance with the provisions of Section 7(c) and approved in accordance with the requirements of Section 5.
- (6) "Urban Growth Boundary" means a line encompassing territory established in conformance with the provisions of

Section 7(a) and approved in accordance with the requirements of Section 5.

SECTION 2.

Tennessee Code Annotated, Title 6, is amended by adding Sections 3 through 16 as a new Chapter 58.

SECTION 3.

With this act, the General Assembly intends to establish a comprehensive growth policy for this state that:

- (1) Eliminates annexation or incorporation out of fear;
- (2) Establishes incentives to annex or incorporate where appropriate;
- (3) More closely matches the timing of development and the provision of public services;
- (4) Stabilizes each county's education funding base and establishes an incentive for each county legislative body to be more interested in education matters; and
- (5) Minimizes urban sprawl.

SECTION 4.

(a) The provisions of this chapter shall not apply to any county having a metropolitan form of government. Provided, however, each such county shall receive full benefit of all incentives available pursuant to Section 10, and each such county shall escape the sanctions imposed by Section 11. Provided, further, any municipality that lies within a county having a metropolitan form of government and another county must establish an urban growth boundary in conjunction with the county containing the territory that is not within the county having a metropolitan form of government.

(b) Notwithstanding the provisions of this act to the contrary, IF a metropolitan government charter commission is duly created within any county after the effective date of this act but prior to July 1, 2001, AND IF the metropolitan charter proposed by such commission is either rejected or otherwise not ratified by the voters prior to July 1, 2001, THEN the

sanctions established by Section 11 shall not be imposed in such county prior to July 1, 2002.

SECTION 5.

(a)(1) Except as otherwise provided pursuant to subdivision (a)(9), effective September 1, 1998, there is created within each county a coordinating committee which shall be composed of the following members:

(A) The county executive or the county executive's designee, to be confirmed by the county legislative body; provided, however, a member of the county legislative body may serve as such designee subject to such confirmation;

(B) The mayor of each municipality or the mayor's designee, to be confirmed by the municipal governing body;

(C) One (1) member appointed by the governing board of the municipally owned utility system serving the largest number of customers in the county;

(D) One (1) member appointed by the governing board of the utility system, not municipally owned, serving the largest number of customers in the county;

(E) One (1) member appointed by the board of directors of the county's soil conservation district, who shall represent agricultural interests;

(F) One (1) member appointed by the board of the local education agency having the largest student enrollment in the county;

(G) One (1) member appointed by the largest chamber of commerce, to be appointed after consultation with any other chamber of commerce within the county; and

(H) Two (2) members appointed by the county executive and two (2) members appointed by the mayor of the largest municipality, to assure broad representation of environmental, construction and homeowner interests.

(2) It shall be the duty of the coordinating committee to

develop a recommended growth plan not later than January 1, 2000, and to submit such plan for ratification by the county legislative body and the governing body of each municipality. The recommended growth plan shall identify urban growth boundaries for each municipality within the county and shall identify planned growth areas and rural areas within the county, all in conformance with the provisions of Section 7. In developing a recommended growth plan, the coordinating committee shall give due consideration to such urban growth boundaries as may be timely proposed and submitted to the coordinating committee by each municipal governing body. The coordinating committee shall also give due consideration to such planned growth areas and rural areas as may be timely-proposed and submitted to the coordinating committee by the county legislative body. The coordinating committee is encouraged to utilize planning resources that are available within the county, including municipal or county planning commissions. The coordinating committee is further encouraged to utilize the services of the local planning office of the Department of Economic and Community Development, the county technical assistance service, and the municipal technical advisory service.

(3) Prior to finalization of the recommended growth plan, the coordinating committee shall conduct at least two (2) public hearings. The county shall give at least fifteen (15) days advance notice of the time, place and purpose of each public hearing by notice published in a newspaper of general circulation throughout the county.

(4) Not later than January 1, 2000, the coordinating committee shall submit its recommended growth plan for ratification by the county legislative body and by the governing body of each municipality within the county. Provided, however, and notwithstanding any provision of this act to the contrary, if a municipality is completely contiguous to and surrounded by one or more municipalities, then the corporate limits of the surrounded municipality shall constitute the municipality's urban growth boundaries and such municipality shall not be eligible to ratify or reject the recommended growth plan. Not later than one hundred twenty (120) days after receiving the recommended growth plan, the county legislative body or municipal governing body, as the case may be, shall act to

either ratify or reject the recommended growth plan of the coordinating committee. Failure by such county legislative body or any such municipal governing body to act within such one hundred twenty (120) day period shall be deemed to constitute ratification by such county or municipality of the recommended growth plan.

(5) If the county or any municipality therein, rejects the recommendation of the coordinating committee, then the county or municipality shall submit its objections, and the reasons therefor, for resolution in accordance with subsection

(b). In resolving disputes arising from disagreements over which urban growth boundary should contain specific territory, due consideration shall be given if one (1) of the municipalities is better able to efficiently and effectively provide urban services within the disputed territory. Due consideration shall also be given if one (1) of the municipalities detrimentally relied upon priority status conferred under prior annexation law and, thereby, justifiably incurred significant expense in preparation for annexation of the disputed territory.

(6)(A) A municipality may make binding agreements with other municipalities and with counties to refrain from exercising any power or privilege granted to the municipality by this title, to any degree contained in the agreement including, but not limited to, the authority to annex.

(B) A county may make binding agreements with municipalities to refrain from exercising any power or privilege granted to the county by Title 5, to any degree contained in the agreement including, but not limited to, the authority to receive annexation date revenue.

(C) Any agreement made pursuant to this subdivision need not have a set term, but after the agreement has been in effect for five (5) years, any party upon giving ninety (90) days written notice to the other parties is entitled to a renegotiation or termination of the agreement.

(7)(A) Notwithstanding any provisions of this chapter or any other provision of law to the contrary, any annexation reserve agreement or any agreement of any kind either between

municipalities or between municipalities and counties setting out areas reserved for future municipal annexation and in effect on the effective date of this act are ratified and remain binding and in full force and effect. Any such agreement may be amended from time to time by mutual agreement of the parties. Any such agreement or amendment may not be construed to abrogate the application of any provision of this chapter to the area annexed pursuant to the agreement or amendment.

(B) In any county with a charter form of government, the annexation reserve agreements in effect on January 1, 1998, are deemed to satisfy the requirement of a growth plan. The county shall file a plan based on such agreements with the committee.

(8)(A) No provision of this chapter shall prohibit written contracts between municipalities and property owners relative to the exercise of a municipality's rights of annexation or operate to invalidate an annexation ordinance done pursuant to a written contract between a municipality and a property owner in existence on the effective date of this act.

(9)(A) Instead of the coordinating committee created under subsection (a)(1), in any county in which the largest municipality comprises at least sixty percent (60%) of the population of the entire county and on the effective date of this act there is no other municipality in the county with a population in excess of one thousand (1,000), according to the 1990 federal census or any subsequent federal census, the coordinating committee in such county shall be the municipal planning commission of the largest municipality and the county planning commission, if the county has a planning commission. The mayor of the largest municipality and the county executive of such county may jointly appoint as many additional members to the coordinating committee as they may determine. Notwithstanding the provisions of subsection (a) with respect to the adoption or ratification of the recommended growth plan, in any county to which subdivision (9)(A) applies, upon adoption of a recommended growth plan, the coordinating committee shall submit its recommendation to the county legislative body for ratification. The county legislative body may only disapprove the recommen-

dation of the coordinating committee if it makes an affirmative finding, by a two-thirds (2/3) vote, that the committee acted in an arbitrary, or capricious manner or abused its official discretion in applying the law. If the county legislative body disapproves the recommendation of the coordinating committee, then the dispute resolution process of this section shall apply.

(B) Instead of the coordinating committee created pursuant to subsection (a)(1), if the county legislative body and the governing body of each municipality located therein all agree that another entity shall perform the duties assigned by this act to the coordinating committee, then such other entity shall perform such duties of the coordinating committee, and such coordinating committee shall not be created or continued, as the case may be.

(b)(1) If the county or any municipality rejects the recommended growth plan, then the coordinating committee shall reconsider its action. After such reconsideration, the coordinating committee may recommend a revised growth plan and may submit such revised growth plan for ratification by the county legislative body and the governing body of each municipality. If a recommended growth plan or revised growth plan is rejected, then the county or any municipality may declare the existence of an impasse and may request the Secretary of State to provide an alternative method for resolution of disputes preventing ratification of a growth plan.

(2) Upon receiving such request, the Secretary of State shall promptly appoint a dispute resolution panel. The panel shall consist of three (3) members, each of whom shall be appointed from the ranks of the administrative law judges employed within the administrative procedures division and each of whom shall possess formal training in the methods and techniques of dispute resolution and mediation. Provided, however, if the county and all municipalities agree, the Secretary of State may appoint a single administrative law judge rather than a panel of three (3) members. No member of such panel, nor the immediate family of any such member or such member's spouse, may be a resident, property owner, official or employee of the county or of any municipality therein.

(3) The panel shall attempt to mediate the unresolved disputes. If, after reasonable efforts, mediation does not resolve such disputes, then the panel shall propose a non-binding resolution thereof. The county legislative body and the municipalities shall be given a reasonable period in which to consider such proposal. If the county legislative body and the municipal governing bodies do not accept and approve such resolution, then they may submit final recommendations to the panel. For the sole purpose of resolving the impasse, the panel shall adopt a growth plan. In mediating the dispute or in making a proposal, the panel may consult with the University of Tennessee or others with expertise in urban planning, growth, and development. The growth plan adopted by the panel shall conform with the provisions of Section 7.

(4) The Secretary of State shall certify the reasonable and necessary costs incurred by the dispute resolution panel, including, but not necessarily limited to, salaries, supplies, travel expenses and staff support for the panel members. The county and the municipalities shall reimburse the Secretary of State for such costs, to be allocated on a pro rata basis calculated on the number of persons residing within each of the municipalities and the number of persons residing within the unincorporated areas of the county; provided, however, if the dispute resolution panel determines that the dispute resolution process was necessitated or unduly prolonged by bad faith or frivolous actions on the part of the county and/or any one (1) or more of the municipalities, then the Secretary of State may, upon the recommendation of the panel, reallocate liability for such reimbursement in a manner clearly punitive to such bad faith or frivolous actions.

(5) If a county or municipality fails to reimburse its allocated or reallocated share of panel costs to the Secretary of State after sixty (60) days notice of such costs, the Department of Finance and Administration shall deduct such costs from such county's or a municipality's allocation of state shared taxes.

(d)(1) No later than July 1, 2001, the growth plan recommended or revised by the coordinating committee and ratified by the county and each municipality therein or alternatively adopted by a dispute resolution panel shall be submitted to

and approved by the local government planning advisory committee. IF urban growth boundaries, planned growth areas and rural areas were recommended or revised by a coordinating committee and ratified by the county and each municipality therein, THEN the local government planning advisory committee shall grant its approval, and the growth plan shall become immediately effective. In addition, in any county with a charter form of government, the annexation reserve agreements in effect on January 1, 1998, are deemed to satisfy the requirement of a growth plan, and the local government planning advisory committee shall approve such plan. In all other cases, IF the local government planning advisory committee determines that such urban growth boundaries, planned growth areas and rural areas conform with the provisions of Section 7, THEN the local government planning advisory committee shall grant its approval and the growth plan shall immediately become effective; HOWEVER, IF the local government planning advisory committee determines that such urban growth boundaries, planned growth areas and/or rural areas in any way do not conform with the provisions of Section 7, THEN the committee shall adopt and grant its approval of alternative urban growth boundaries, planned growth areas and/or rural areas for the sole purpose of making the adjustments necessary to achieve conformance with the provisions of Section 7. Such alternative urban growth boundaries, planned growth areas and/or rural areas shall supersede and replace all conflicting urban growth boundaries, planned growth areas and/or rural areas and shall immediately become effective as the growth plan.

(2) After the local government planning advisory committee has approved a growth plan, the committee shall forward a copy to the county executive who shall file the plan in the register's office. The register may not impose a fee on the county executive for this service.

(e)(1) After the local government planning advisory committee has approved a growth plan, the plan shall stay in effect for not less than three (3) years absent a showing of extraordinary circumstances. After the expiration of the three (3) year period, a municipality or county may propose an amendment to the growth plan by filing notice with the county

executive and with the mayor of each municipality in the county. Upon receipt of such notice, such officials shall take appropriate action to promptly reconvene or re-establish the coordinating committee. The burden of proving the reasonableness of the proposed amendment shall be upon the party proposing the change. The procedures for amending the growth plan shall be the same as the procedures in this section for establishing the original plan.

(2) In any county with a charter form of government with annexation reserve agreements in effect on January 1, 1998, any municipality or the county may immediately file a proposed amendment after the effective date of this act in accordance with this subsection (e).

SECTION 6.

(a) The affected county, an affected municipality, a resident of such county or an owner of real property located within such county is entitled to judicial review under this section, which shall be the exclusive method for judicial review of the growth plan and its urban growth boundaries, planned growth areas and rural areas. Proceedings for review shall be instituted by filing a petition for review in the chancery court of the affected county. Such petition shall be filed during the sixty (60) day period after final approval of such urban growth boundaries, planned growth areas and rural areas by the local government planning advisory committee. In accordance with the provisions of the Tennessee rules of civil procedure pertaining to service of process, copies of the petition shall be served upon the local government planning advisory committee, the county and each municipality located or proposing to be located within the county.

(b) Judicial review shall be de novo and shall be conducted by the chancery court without a jury. The petitioner shall have the burden of proving, by a preponderance of the evidence that the urban growth boundaries, planned growth areas and/or rural areas are invalid because the adoption or approval thereof was granted in an arbitrary, capricious, illegal or other manner characterized by abuse of official discretion. The filing of the petition for review does not itself stay effectiveness of the urban growth boundaries, planned growth areas and rural areas; provided, however, the court may order a

stay upon appropriate terms if it is shown to the satisfaction of the court that any party or the public at large is likely to suffer significant injury if such stay is not granted. If more than one (1) suit is filed within the county, then all such suits shall be consolidated and tried as a single civil action.

(c) IF the court finds by a preponderance of the evidence that the urban growth boundaries, planned growth areas and/or rural areas are invalid because the adoption or approval thereof was granted in an arbitrary, capricious, illegal or other manner characterized by abuse of official discretion, THEN an order shall be issued vacating the same, in whole or in part, and remanding the same to the county and the municipalities in order to identify and obtain adoption or approval of urban growth boundaries, planned growth areas and/or rural areas in conformance with the procedures set forth within Section 5.

(d) Any party to the suit, aggrieved by the ruling of the chancery court, may obtain a review of the final judgment of the chancery court by appeal to the court of appeals.

SECTION 7.

(a)(1) The urban growth boundaries of a municipality shall:

(A) Identify territory that is reasonably compact yet sufficiently large to accommodate residential and nonresidential growth projected to occur during the next twenty (20) years;

(B) Identify territory that is contiguous to the existing boundaries of the municipality;

(C) Identify territory that a reasonable and prudent person would project as the likely site of high density commercial, industrial and/or residential growth over the next twenty (20) years based on historical experience, economic trends, population growth patterns and topographical characteristics; (if available, professional planning, engineering and/or economic studies may also be considered);

(D) Identify territory in which the municipality is better able and prepared than other municipalities to efficiently and effectively provide urban services; and

(E) Reflect the municipality's duty to facilitate full development of resources within the current boundaries of the municipality and to manage and control urban expansion outside of such current boundaries, taking into account the impact to agricultural lands, forests, recreational areas and wildlife management areas.

(2) Before formally proposing urban growth boundaries to the coordinating committee, the municipality shall develop and report population growth projections; such projections shall be developed in conjunction with the University of Tennessee. The municipality shall also determine and report the current costs and the projected costs of core infrastructure, urban services and public facilities necessary to facilitate full development of resources within the current boundaries of the municipality and to expand such infrastructure, services and facilities throughout the territory under consideration for inclusion within the urban growth boundaries. The municipality shall also determine and report on the need for additional land suitable for high density, industrial, commercial and residential development, after taking into account all areas within the municipality's current boundaries that can be used, reused or redeveloped to meet such needs. The municipality shall examine and report on agricultural lands, forests, recreational areas and wildlife management areas within the territory under consideration for inclusion within the urban growth boundaries and shall examine and report on the likely long-term effects of urban expansion on such agricultural lands, forests, recreational areas and wildlife management areas.

(3) Before a municipal legislative body may propose urban growth boundaries to the coordinating committee, the municipality shall conduct at least two (2) public hearings. Notice of the time, place and purpose of the public hearing shall be published in a newspaper of general circulation in the municipality not less than fifteen (15) days before the hearing.

(b)(1) Each planned growth area of a county shall:

(A) Identify territory that is reasonably compact yet sufficiently large to accommodate residential and nonresidential

growth projected to occur during the next twenty (20) years;

(B) Identify territory that is not within the existing boundaries of any municipality;

(C) Identify territory that a reasonable and prudent person would project as the likely site of high or moderate density commercial, industrial and/or residential growth over the next twenty (20) years based on historical experience, economic trends, population growth patterns and topographical characteristics; (if available, professional planning, engineering and/or economic studies may also be considered);

(D) Identify territory that is not contained within urban growth boundaries; and

(E) Reflect the county's duty to manage natural resources and to manage and control urban growth, taking into account the impact to agricultural lands, forests, recreational areas and wildlife management areas.

(2) Before formally proposing any planned growth area to the coordinating committee, the county shall develop and report population growth projections; such projections shall be developed in conjunction with the University of Tennessee. The county shall also determine and report the projected costs of providing urban type core infrastructure, urban services and public facilities throughout the territory under consideration for inclusion within the planned growth area as well as the feasibility of recouping such costs by imposition of fees or taxes within the planned growth area. The county shall also determine and report on the need for additional land suitable for high density industrial, commercial and residential development after taking into account all areas within the current boundaries of municipalities that can be used, reused or redeveloped to meet such needs. The county shall also determine and report on the likelihood that the territory under consideration for inclusion within the planned growth area will eventually incorporate as a new municipality or be annexed. The county shall also examine and report on agricultural lands, forests, recreational areas and wildlife management areas within the territory under consideration for inclusion within the planned growth area and shall

examine and report on the likely long-term effects of urban expansion on such agricultural lands, forests, recreational areas and wildlife management areas.

(3) Before a county legislative body may propose planned growth areas to the coordinating committee, the county shall conduct at least two (2) public hearings. Notice of the time, place and purpose of the public hearing shall be published in a newspaper of general circulation in the county not less than fifteen (15) days before the hearing.

(c)(1) Each rural area shall:

(A) Identify territory that is not within urban growth boundaries;

(B) Identify territory that is not within a planned growth area;

(C) Identify territory that, over the next twenty (20) years, is to be preserved as agricultural lands, forests, recreational areas, wildlife management areas or for uses other than high density commercial, industrial or residential development; and

(D) Reflect the county's duty to manage growth and natural resources in a manner which reasonably minimizes detrimental impact to agricultural lands, forests, recreational areas and wildlife management areas.

(2) Before a county legislative body may propose rural areas to the coordinating committee, the county shall conduct at least two (2) public hearings. Notice of the time, place and purpose of the public hearing shall be published in a newspaper of general circulation in the county not less than fifteen (15) days before the hearing.

(d) Notwithstanding the extraterritorial planning jurisdiction authorized for municipal planning commissions designated as regional planning commissions in Title 13, Chapter 3, nothing in this act shall be construed to authorize municipal planning commission jurisdiction beyond an urban growth boundary; provided, however, in a county without county zoning, a municipality may provide extraterritorial zoning and

subdivision regulation beyond its corporate limits with the approval of the county legislative body.

SECTION 8.

Not later than July 1, 2001, a growth plan for each county shall be submitted to and approved by the local government planning advisory committee in accordance with the provisions of Section 5. After a growth plan is so approved, all land use decisions made by the legislative body and the municipality's or county's planning commission shall be consistent with the growth plan. The growth plan shall include, at a minimum, documents describing and depicting municipal corporate limits, as well as urban growth boundaries, planned growth areas, if any, and rural areas, if any, approved in conformance with the provisions of Section 5. The purpose of a growth plan is to direct the coordinated, efficient, and orderly development of the local government and its environs that will, based on an analysis of present and future needs, best promote the public health, safety, morals and general welfare. A growth plan may address land-use, transportation, public infrastructure, housing, and economic development. The goals and objectives of a growth plan include the need to:

- (1) Provide a unified physical design for the development of the local community;
- (2) Encourage a pattern of compact and contiguous high density development to be guided into urban areas or planned growth areas;
- (3) Establish an acceptable and consistent level of public services and community facilities and ensure timely provision of those services and facilities;
- (4) Promote the adequate provision of employment opportunities and the economic health of the region;
- (5) Conserve features of significant statewide or regional architectural, cultural, historical, or archaeological interest;
- (6) Protect life and property from the effects of natural hazards, such as flooding, winds, and wildfires;

(7) Take into consideration such other matters that may be logically related to or form an integral part of a plan for the coordinated, efficient and orderly development of the local community; and

(8) Provide for a variety of housing choices and assure affordable housing for future population growth.

SECTION 9.

(a)(1) After the effective date of this act but before the approval of the growth plan by the local government planning advisory committee, a municipality may annex territory by ordinance as provided by § 6-51-102 unless the county legislative body adopts a resolution disapproving such annexation within sixty (60) days of the final passage of the annexation ordinance.

(2) If the county disapproves the annexation by adopting a resolution within the sixty (60) day period, then the ordinance shall not become operative until ninety (90) days after final passage subject to the proceedings under this section.

(3) If a quo warranto action is filed to challenge the annexation, if and after the requirements of subsection (b) below are met, a county filing the action has the burden of proving that:

(A) The annexation ordinance is unreasonable for the overall well-being of the communities involved; or

(B) The health, safety, and welfare of the citizens and property owners of the municipality and territory will not be materially retarded in the absence of such annexation.

(4) If the court without a jury finds that the ordinance by a preponderance of the evidence satisfies the requirements of subdivision (a)(3), the annexation ordinance shall take effect.

(b)(1) If a county disapproves the annexation as provided in subsection (a) and if the county is petitioned by a majority of the property owners by parcel within the territory which is the subject of the annexation to represent their interests, a county shall be deemed an aggrieved owner of property giving the

county standing to contest an annexation ordinance. In determining a majority of property owners, a parcel of property with more than one (1) owner shall be counted only once and only if owners comprising a majority of the ownership interests in the parcel petition together as the owner of the particular parcel.

(2) A petition by property owners under this section shall be presented to the county clerk, who shall forward a copy of such petition to the county executive, county assessor of property and the chairperson of the county legislative body. After examining the evidence of title based upon the county records, within fifteen (15) days of receiving the copy of the petition, the assessor of property shall report to the county executive and the chairperson of the county legislative body whether or not in his or her opinion a majority of the property owners by parcel have petitioned the county according to this section.

(3) Notwithstanding any other provision of this chapter, a petition by property owners to the county under this section to contest an annexation shall be brought within sixty (60) days of the final passage of the annexation ordinance, and if the county legislative body adopts a resolution to contest the annexation, the county shall file suit to contest the annexation pursuant to this section within ninety (90) days of the final passage of the annexation ordinance.

(4) If the county or any other aggrieved owner of property does not contest the annexation ordinance under §6-51-103 within ninety (90) days of final passage of the annexation ordinance, the ordinance shall become operative ninety (90) days after final passage thereof.

(5) If the county legislative body does not vote to permit the county to contest an annexation, the provision of Section 6-51-103 shall apply.

(c) After the effective date of this act, and before the approval of the growth plan by the local government planning advisory committee, a municipality may not extend its corporate limits by means of corridor annexation of a public right-of-way, or any easement owned by a governmental

entity or quasi-governmental entity, railroad, utility company, or federal entity such as the U.S. Army Corps of Engineers or the Tennessee Valley Authority, or natural or man-made waterway, or any other corridor except under the following circumstances:

(1) The annexed area also includes each parcel of property contiguous to the right-of-way, easement, waterway or corridor adjacent on at least one (1) side; or

(2) The municipality receives the approval of the county legislative body of the county wherein the territory proposed to be annexed lies; or

(3) The owners of the property located at the end of the corridor petitioned the municipality for annexation, such owners agree to pay for necessary improvements to infrastructure on such property, such owners' property totals three (3) acres or more and is located within one and one-half (1.5) miles of the existing boundaries of the municipality, and the corridor annexation does not constitute an extension of any previous corridor annexation.

(d) Nothing in this section shall be construed to prevent a municipality from proposing extension of its corporate limits by the procedures in Sections 6-51-104 and 105. Provided, further, if the territory proposed to be annexed does not have any residents, such annexation may be accomplished only with the concurrence of the county as provided in (a) above.

(e) After the effective date of this act a municipality may not annex by ordinance upon its own initiative territory in any county other than the county in which the city hall of the annexing municipality is located, unless one (1) of the following applies:

(1) A municipality that is located in two (2) or more counties as of November 25, 1997, may annex by ordinance in all such counties, unless the percentage of the municipal population residing in the county or counties other than that in which the city hall is located is less than seven percent (7%) of the total population of the municipality; or

(2) A municipality may annex by ordinance with the approval by resolution of the county legislative body of the county in which the territory proposed to be annexed is located; or

(3) A municipality may annex by ordinance in any county in which, on January 1, 1998, the municipality provided sanitary sewer service to a total of one hundred (100) or more residential customers, commercial customers, or a combination thereof.

(4) This subsection (e) shall not affect any annexation ordinance adopted on final reading by a municipality prior to the effective date of this act, if such ordinance annexed property within the same county where the municipality is located or annexed property in a county other than the county in which the city hall is located if the property is used or is to be used only for industrial purposes.

(f)(1) After the effective date of this act but prior to January 1, 1999, a new city may be incorporated under the provisions of this act as long as the population requirements and the distance requirements of Sections 6-1-201, 6-18-103 or 6-30-103 and the requirements of Section 13(c) of this act are met.

(2) After January 1, 1999, a new municipality may only be incorporated in accordance with this act and with an adopted growth plan.

(3)(A) Notwithstanding any other provision of law to the contrary, if any territory with not less than two hundred twenty-five (225) residents acted pursuant to Chapter 98 of the Public Acts of 1997 or Chapter 666 of the Public Acts of 1996 from January 1, 1996, through November 25, 1997, and held an incorporation election, and a majority of the persons voting supported the incorporation, and results of such election were certified, then such territory upon filing a petition as provided in § 6-1-202, may conduct another incorporation election.

(B) If such territory votes to incorporate, the new municipality shall have priority over any prior or pending annexation ordinance of an existing municipality which encroaches upon any territory of the new municipality. Such new municipality

shall comply with the requirements of Section 13(c) of this act.

SECTION 10.

(a) Upon approval of the growth plan by the local government planning advisory committee but beginning no earlier than July 1, 2000, each municipality within the county and the county shall receive an additional five (5) points on a scale of one hundred (100) points or a comparable percentage increase as determined by the commissioner in any evaluation formula for the allocation of private activity bond authority and for the distribution of grants from the department of economic and community development for the:

- (1) Tennessee Industrial Infrastructure Program;
- (2) Industrial Training Service Program; and
- (3) Community Development Block Grants.

(b) Upon approval of the growth plan by the local government planning advisory committee but beginning no earlier than July 1, 2000, each municipality within the county and the county shall receive an additional five (5) points on a scale of one hundred (100) points or a comparable percentage increase as determined by the commissioner if permissible under federal requirements in any evaluation formula for the distribution of grants from the Department of Environment and Conservation for state revolving fund loans for water and sewer systems; provided, however, no such preferences shall be granted if prohibited by federal law or regulation.

(c) Upon approval of the growth plan by the local government planning advisory committee but beginning no earlier than July 1, 2000, each municipality within the county and the county shall receive an additional five (5) points on a scale of one hundred (100) points or a comparable percentage increase as determined by the executive director in any evaluation formula for the distribution of HOUSE or HOME grants from the Tennessee Housing Development Authority or low income tax credits or private activity bond authority; provided, however, no such preferences shall be granted if prohibited by federal law or regulation.

SECTION 11.

Effective July 1, 2001, the following loan and grant programs shall be unavailable in those counties and municipalities that do not have growth plans approved by the local government planning advisory committee, and shall remain unavailable until growth plans have been approved:

- (1) Tennessee Housing Development Agency Grant Programs;
- (2) Community Development Block Grants;
- (3) Tennessee Industrial Infrastructure Program Grants;
- (4) Industrial Training Service Grants;
- (5) Intermodal Surface Transportation Efficiency Act funds or any subsequent federal authorization for transportation funds; and
- (6) Tourism Development Grants.

SECTION 12.

(a) Within a municipality's approved urban growth boundaries, a municipality may use any of the methods in Title 6, Chapter 51 to annex territory. Provided, however, if a quo warranto action is filed to challenge the annexation, the party filing the action has the burden of proving that:

- (1) An annexation ordinance is unreasonable for the overall well-being of the communities involved; or
 - (2) The health, safety, and welfare of the citizens and property owners of the municipality and territory will not be materially retarded in the absence of such annexation.
- (b) In any such action, the action shall be tried by the circuit court judge or chancellor without a jury.
- (c) A municipality may not annex territory by ordinance beyond its urban growth boundary without following the procedure in subsection (d).

(d)(1) If a municipality desires to annex territory beyond its urban growth boundary, the municipality shall first propose an amendment to its urban growth boundary with the coordinating committee under the procedure in Section 5.

(2) As an alternative to proposing a change in the urban growth boundary to the coordinating committee, the municipality may annex the territory by referendum as provided in §§6-51-104 and 6-51-105.

SECTION 13.

(a)(1) After January 1, 1999, a new municipality may only be created in territory approved as a planned growth area in conformity with the provisions of Section 5;

(2) A county may provide or contract for the provision of services within a planned growth area and set a separate tax rate specifically for the services provided within a planned growth area; and

(3) A county may establish separate zoning regulations within a planned growth area, for territory within an urban growth boundary or within a rural area.

(b) An existing municipality which does not operate a school system or a municipality incorporated after the effective date of this act, may not establish a school system.

(c) A municipality, incorporated after the effective date of this act, shall impose a property tax that raises an amount of revenue not less than the amount of the annual revenues derived by the municipality from state shared taxes. The municipality shall levy and collect the property tax before the municipality may receive state shared taxes. Furthermore, the provisions of Tennessee Code Annotated, Section 6-51-115(b), shall apply within the territory of such newly incorporated municipality as if such territory had been annexed rather than incorporated.

(d)(1) If the residents of a planned growth area petition to have an election of incorporation, the county legislative body shall approve the corporate limits and the urban growth boundary of the proposed municipality before the election to

incorporate may be held.

(2) Within six (6) months of the incorporation election, the municipality shall adopt by ordinance a plan of services for the services the municipality proposes to deliver. The municipality shall prepare and publish its plan of services in a newspaper of general circulation distributed in the municipality. The rights and remedies of §6-51-108 apply to the plan of services adopted by the municipality.

SECTION 14.

Until December 31, 2002, the Tennessee Advisory Commission on

Intergovernmental Relations (TACIR) shall monitor implementation of this act and shall periodically report its findings and recommendations to the General Assembly. Each agency of the executive branch, each municipal and county official, each local government organization, including any planning commission and development district, shall cooperate with the commission and provide necessary information and assistance for the commission's reports.

TACIR reserve funds may be expended for the purpose of performing duties assigned by this section.

SECTION 15.

(a) It is the intent of the General Assembly that local governments engage in long-term planning, and that such planning be accomplished through regular communication and cooperation among local governments, the agencies attached to them, and the agencies that serve them. It is also the intent of the General Assembly that the growth plans required by this bill result from communication and cooperation among local governments.

(b) There shall be established in each county a joint economic and community development board which shall be established by interlocal agreement pursuant to Tennessee Code Annotated, Section 5-1-113. The purpose of the board is to foster communication relative to economic and community development between and among governmental entities, industry, and private citizens.

(c) Each joint economic and community development board

shall be composed of representatives of county and city governments, private citizens, and present industry and businesses. The final makeup of the board shall be determined by interlocal agreement but shall, at a minimum, include the county executive and the mayor or city manager, if appropriate, of each city lying within the county and one (1) person who owns land qualifying for classification and valuation under Tennessee Code Annotated, Title 67, Chapter 5, Part 10. Provided, however, in cases where there are multiple cities, smaller cities may have representation on a rotating basis as determined by the interlocal agreement.

(d) There shall be an executive committee of the board which shall be composed of members of the joint economic and community development board selected by the entire board. The makeup of the executive committee shall be determined by the entire joint economic and community development board but shall, at a minimum, include the county executive and the mayors or city manager of the larger municipalities in the county.

(e) The terms of office shall be determined by the interlocal agreement but shall be staggered except for those positions held by elected officials whose terms shall coincide with the terms of office for their elected positions. All terms of office shall be for a maximum of four (4) years.

(f) The board shall meet, at a minimum, four (4) times annually and the executive committee of the board shall meet at least eight (8) times annually. Minutes of all meetings of the board and the executive committee shall be documented by minutes kept and certification of attendance. Meetings of the joint economic and community development board and its executive committee are subject to the open meetings law.

(g)(1) The activities of the board shall be jointly funded by the participating governments. The formula for determining the amount of funds due from each participating government shall be determined by adding the population of the entire county as established by the last federal decennial census to the populations of each city as determined by the last federal decennial census, or special census as provided for in Section 6-51-114, and then determining the percentage that

the population of each governmental entity bears to the total amount.

(2) If a special census has been certified pursuant to Tennessee Code Annotated, Section 6-51-114, during the five (5) year period after certification of the last federal decennial census, the formula shall be adjusted by the board to reflect the result of the special census. Provided, however, the board shall only make such an adjustment during the fifth year following the certification of a federal decennial census.

(3) The board may accept and expend donations, grants and payments from persons and entities other than the participating governments.

(4) If, on the effective date of this act, a county and city government have a joint economic and community development council which has an established funding mechanism to carry out a unified economic and community development program for the entire county, such funding mechanism shall be utilized in lieu of the formula established in this subsection. (h) An annual budget to fund the activities of the board shall be recommended by the executive committee to the board which shall adopt a budget before the first day of April of each year. The funding formula established by this act shall then be applied to the total amount budgeted by the board as the participating governments' contributions for the ensuing fiscal year. The budget and a statement of the amount due from each participating government shall be immediately filed with the appropriate officer of each participating government. In the event a participating government does not fully fund its contribution, the board may establish and impose such sanctions or conditions as it deems proper.

(i) When applying for any state grant a city or a county shall certify its compliance with the requirements of this section.

(j) If there exists within a county a similar organization on the effective date of this act, that organization may satisfy the requirements of this section. The county executive shall file a petition with the committee who shall make a determination whether the existing organization is sufficiently similar to the

requirements of this section. When the committee has made its determination, an affected municipality or county may rely upon that status of the existing organization to satisfy the certification requirements of subsection (i).

SECTION 16.

The provisions of this chapter shall not apply to any annexation ordinance that was pending, but not yet effective, on November 25, 1997.

SECTION 17.

SECTION 18.

(a) Tennessee Code Annotated, Section 7-2-101, is amended by adding the following as subdivision (4):

(4) The commission may be created upon receipt of a petition, signed by qualified voters of the county, equal to at least ten percent (10%) of the number of votes cast in the county for governor in the last gubernatorial election.

(A) Such petition shall be delivered to the county election commission for certification. After the petition is certified, the county election commission shall deliver the petition to the governing body of the county and the governing body of the principal city in the county. Such petition shall become the consolidation resolution of the county and the principal city in the county. The resolution shall provide that a metropolitan government charter commission is established to propose to the people the consolidation of all, or substantially all, of the government and corporate functions of the county and its principal city and the creation of a metropolitan government for the administration of the consolidated functions.

(B) Such resolution shall either:

(i) Authorize the county executive or county mayor to appoint ten (10) commissioners, subject to confirmation by the county governing body, and authorize the mayor of the principal city to appoint five (5) commissioners, subject to confirmation by the city governing body; or

(ii) Provide that an election shall be held to select members

of the metropolitan government charter commission; provided, however, if the governing body of the county and the governing body of the principal city cannot agree on the method of selecting members of the metropolitan government charter commission within sixty (60) days of certification, then an election shall be held to select members of the metropolitan government charter commission as provided in Section 7-2-102.

(C) It is the legislative intent that the persons appointed to the charter commission shall be broadly representative of all areas of the county and principal city and that every effort shall be made to include representatives from various political, social, and economic groups within the county and principal municipality.

(D) When such resolution shall provide for the appointment of commissioners of the county and city, the metropolitan government charter commission shall be created and duly constituted after appointments have been made and confirmed.

(E) When such resolution shall provide for an election to select members of the metropolitan government charter commission, copies thereof shall be certified by the clerk of the governing bodies to the county election commission, and thereupon an election shall be held as provided in Section 7-2-102.

(F) When the consolidation resolution provides for the appointment of members of the metropolitan government charter commission, such appointments shall be made within thirty (30) days after the resolution is submitted to the governing bodies of the county and the principal city.

(G) If the referendum to approve consolidation fails, another commission may not be created by petition for three (3) years.

(b) Tennessee Code Annotated, Section 7-2-101(1)(B)(i), is amended by deleting the words “presiding officer of the county governing body” and substituting instead the words “county executive or county mayor”.

(c) Tennessee Code Annotated, Section 7-2-101(2)(B), is amended by deleting the words “presiding officer of the county governing body” and substituting instead the words “county executive or county mayor”.

(d) Tennessee Code Annotated, Section 7-2-101(2)(B)(i), is amended by deleting wherever they may appear, the words “presiding officer of the county governing body” and substituting instead the words “county executive or county mayor”.

SECTION 19.

Tennessee Code Annotated, Section 6-51-102, is amended by deleting subsection (b) and substituting instead the following:

(b)(1) Before any territory may be annexed under this section by a municipality, the governing body shall adopt a plan of services establishing at least the services to be delivered and the projected timing of the services. The plan of services shall be reasonable with respect to the scope of services to be provided and the timing of the services.

(2) The plan of services shall include, but not be limited to: police protection, fire protection, water service, electrical service, sanitary sewer service, solid waste collection, road and street construction and repair, recreational facilities and programs, street lighting, and zoning services. The plan of services may exclude services which are being provided by another public agency or private company in the territory to be annexed other than those services provided by the county.

(3) The plan of services shall include a reasonable implementation schedule for the delivery of comparable services in the territory to be annexed with respect to the services delivered to all citizens of the municipality.

(4) Before a plan of services may be adopted, the municipality shall submit the plan of services to the local planning commission, if there is one, for study and a written report, to be rendered within ninety (90) days after such submission, unless by resolution of the governing body a longer period is allowed. Before the adoption of the plan of services, a municipality shall hold a public hearing. Notice of the time,

place, and purpose of the public hearing shall be published in a newspaper of general circulation in the municipality not less than fifteen (15) days before the hearing. The notice shall include the locations of a minimum of three (3) copies of the plan of services which the municipality shall provide for public inspection during all business hours from the date of notice until the public hearing.

(5) A municipality may not annex any other territory if the municipality is in default on any prior plan of services.

(6) If a municipality operates a school system, and if the municipality annexes territory during the school year, any student may continue to attend his or her present school until the beginning of the next succeeding school year unless the respective boards of education have provided otherwise by agreement.

SECTION 20.

Tennessee Code Annotated, Section 6-51-102(a)(2), is amended by adding the following new subdivisions:

(2)(A) If an annexation ordinance was not final on November 25, 1997, and if the municipality has not prepared a plan of services, the municipality shall have sixty (60) days to prepare a plan of services. (B)(1) For any plan of services that is not final on the effective date of this act or for any plan of services adopted after the effective date and before the approval of the growth plan by the committee, the county legislative body of the county where the territory subject to the plan of services is located may file a suit in the nature of a quo warranto proceeding to contest the reasonableness of the plan of services.

(2) If the county is petitioned by a majority of the property owners by parcel within the territory which is the subject of the plan of services to represent their interests, a county shall be deemed an aggrieved owner of property giving the county standing to contest the reasonableness of the plan of services. In determining a majority of property owners, a parcel of property with more than one (1) owner shall be counted only once and only if owners comprising a majority of the ownership interests in the parcel petition together as the

owner of the particular parcel.

(3) A petition by property owners under this section shall be presented to the county clerk, who shall forward a copy of such petition to the county executive, county assessor of property and the chairperson of the county legislative body. After examining the evidence of title based upon the county records, within fifteen (15) days of receiving the copy of the petition, the assessor of property shall report to the county executive and the chairperson of the county legislative body whether or not in his or her opinion a majority of the property owners by parcel have petitioned the county according to this section.

(4) Notwithstanding any other provision of this chapter, a petition by property owners to the county under this section to contest the reasonableness of the plan of services shall be brought within sixty (60) days of the final adoption of the plan of services, and if the county legislative body adopts a resolution to contest the plan of services, the county shall file suit to contest the plan of services pursuant to this section within ninety (90) days of the final adoption of the plan of services.

(C) If the court finds the plan of services to be unreasonable, or to have been done by exercise of powers not conferred by law, an order shall be issued vacating the same, and the order shall require the municipality to submit a revised plan of services for the territory within thirty (30) days; provided, however, by motion the municipality may request to abandon the plan of services, and in such case the municipality is prohibited from annexing by ordinance any part of such territory proposed for annexation for not less than twenty-four (24) months. In the absence of such finding, an order shall be issued sustaining the validity of such plan of services ordinance, which shall then become operative thirty-one (31) days after judgment is entered unless an abrogating appeal has been taken therefrom.

(D) If a municipal plan of services has been challenged in court under this section and if the court has rendered a decision adverse to the plan, then a municipality may not annex any other territory by ordinance until the court

determines the municipality is in compliance.

SECTION 21.

(a) Tennessee Code Annotated, Section 6-51-108(b), is amended by deleting the first sentence and substituting instead the following:

Upon the expiration of six (6) months from the date any annexed territory for which a plan of service has been adopted becomes a part of the annexing municipality, and annually thereafter until services have been extended according to such plan, there shall be prepared and published in a newspaper of general circulation in the municipality a report of the progress made in the preceding year toward extension of services according to such plan, and any changes proposed therein. The governing body of the municipality shall publish notice of a public hearing on such progress reports and changes, and hold such hearing thereon.

(b) Tennessee Code Annotated, Section 6-51-108, is amended by deleting the next to the last sentence in subsection (b) and by adding the following as new subsections (c) and (d):

(c) A municipality may amend a plan of services by resolution of the governing body only after a public hearing for which notice has been published at least fifteen (15) days in advance in a newspaper of general circulation in the municipality when:

(1) The amendment is reasonably necessary due to natural disaster, act of war, act of terrorism, or reasonably unforeseen circumstances beyond the control of the municipality; or

(2) The amendment does not materially or substantially decrease the type or level of services or substantially delay the provision of services specified in the original plan; or

(3) The amendment:

(i) Proposes to materially and substantially decrease the type or level of services under the original plan or to substantially delay those services; and

(ii) Is not justified under (c)(1); and

(iii) Has received the approval in writing of a majority of the property owners by parcel in the area annexed. In determining a majority of property owners, a parcel of property with more than one (1) owner shall be counted only once and only if owners comprising a majority of the ownership interests in the parcel petition together as the owner of the particular parcel.

(d) An aggrieved property owner in the annexed territory may bring an action in the appropriate court of equity jurisdiction to enforce the plan of services at any time after one hundred eighty (180) days after an annexation by ordinance takes effect and until the plan of services is fulfilled, and may bring an action to challenge the legality of an amendment to a plan of services if such action is brought within thirty (30) days after the adoption of the amendment to the plan of services. If the court finds that the municipality has amended the plan of services in an unlawful manner, then the court shall decree the amendment null and void and shall reinstate the previous plan of services. If the court finds that the municipality has materially and substantially failed to comply with its plan of services for the territory in question, then the municipality shall be given the opportunity to show cause why the plan of services was not carried out. If the court finds that the municipality's failure is due to natural disaster, act of war, act of terrorism, or reasonably unforeseen circumstances beyond the control of the municipality which materially and substantially impeded the ability of the municipality to carry out the plan of services, then the court shall alter the timetable of the plan of services so as to allow the municipality to comply with the plan of services in a reasonable time and manner. If the court finds that the municipality's failure was not due to natural disaster, act of war, act of terrorism, or reasonably unforeseen circumstances beyond the control of the municipality which materially and substantially impeded the ability of the municipality to carry out the plan of services, then the court shall issue a writ of mandamus to compel the municipality to provide the services contained in the plan, shall establish a timetable for the provision of the services in question, and shall enjoin the municipality from any further annexations until the services subject to the court's order

have been provided to the court's satisfaction, at which time the court shall dissolve its injunction. If the court determines that the municipality has failed without cause to comply with the plan of services or has unlawfully amended its plan of services, the court shall assess the costs of the suit against the municipality.

SECTION 22

. For any land that is presently used for agricultural purposes, a municipality may not use its zoning power to interfere in any way with the use of such land for agricultural purposes as long as the land is used for agricultural purposes.

SECTION 23.

Tennessee Code Annotated, Title 6, Chapter 51, Part 1, is amended by adding the following as a new section:

Section __. No provision of this act applies to an annexation in any county with a metropolitan form of government in which any part of the general services district is annexed into the urban services district. Provided, however, any section of Title 6, Chapter 51, Part 1, specifically referenced on the effective date of this act in the charter of any county with a metropolitan form of government shall refer to the language of such sections in effect on January 1, 1998.

SECTION 24.

Tennessee Code Annotated, Section 6-51-115, is amended by designating the existing section as subsection (a), renumbering present subsections as subdivisions, and adding the following as new subsections:

(b) In addition to the preceding provisions of this section, when a municipality annexes territory in which there is retail or wholesale activity at the time the annexation takes effect or within three (3) months after the annexation date, the following shall apply:

(1) Notwithstanding the provisions of Section 57-6-103 or any other law to the contrary, for wholesale activity involving the sale of beer, the county shall continue to receive annually an amount equal to the amount received by the county in the twelve (12) months immediately preceding the effective date

of the annexation for beer establishments in the annexed area that produced Wholesale Beer Tax revenues during that entire twelve (12) months. For establishments that produced Wholesale Beer Tax revenues for at least one (1) month but less than the entire twelve (12) month period, the county shall continue to receive an amount annually determined by averaging the amount of Wholesale Beer Tax revenue produced during each full month the establishment was in business during that time and multiplying this average by twelve (12). For establishments which did not produce revenue before the annexation date but produced revenue within three (3) months after the annexation date, and for establishments which produced revenue for less than a full month prior to annexation, the county shall continue to receive annually an amount determined by averaging the amount of Wholesale Beer Tax revenue produced during the first three (3) months the establishment was in operation and multiplying this average by twelve (12). The provisions of this subdivision are subject to the exceptions in subsection (c). A municipality shall only pay the county the amount required by this subdivision, for a period of fifteen (15) years.

(2) Notwithstanding the provisions of Section 67-6-712 or any other law to the contrary, for retail activity subject to the Local Option Revenue Act, the county shall continue to receive annually an amount equal to the amount of revenue the county received pursuant to Section 67-6-712(a)(2)(A) in the twelve (12) months immediately preceding the effective date of the annexation for business establishments in the annexed area that produced Local Option Revenue Act revenue during that entire twelve (12) months. For business establishments that produced such revenues for more than a month but less than the full twelve (12) month period, the county shall continue to receive an amount annually determined by averaging the amount of Local Option Revenue produced by the establishment and allocated to the county under Section 67-6-712(a)(2)(A) during each full month the establishment was in business during that time and multiplying this average by twelve (12). For business establishments which did not produce revenue before the annexation date and produced revenue within three (3) months after the annexation date, and for establishments which produced revenue for less than a full month prior to

annexation, the county shall continue to receive annually an amount determined by averaging the amount of Local Option Revenue produced and allocated to the county under Section 67-6-712(a)(2)(A) during the first three (3) months the establishment was in operation and multiplying this average by twelve (12). The provisions of this subdivision are subject to the exceptions in subsection (c). A municipality shall only pay the county the amount required by this subdivision, for a period of fifteen (15) years.

(c) Subsection (b) is subject to these exceptions:

(1) Subdivision (b)(1) ceases to apply as of the effective date of the repeal of the Wholesale Beer Tax, should this occur.

(2) Subdivision (b)(2) ceases to apply as of the effective date of the repeal of the Local Option Revenue Act, should this occur.

(3) Should the General Assembly reduce the amount of revenue from the Wholesale Beer Tax or the Local Option Revenue Act, accruing to municipalities by changing the distribution formula, the amount of revenue accruing to the county under subsection (b) will be reduced proportionally as of the effective date of the reduction.

(4) A county, by resolution of its legislative body, may waive its rights to receive all or part of the revenues provided by subsection (b). In these cases, the revenue shall be distributed as provided in Sections 57-6-103 and 67-6-712 of the respective tax laws unless otherwise provided by agreement between the county and municipality.

(5) Annual revenues paid to a county by or on behalf of the annexing municipality are limited to the annual revenue amounts provided in subsection (b) and known as "annexation date revenue" as defined in subdivision (c)(2). Annual situs-based revenues in excess of the "annexation date revenue" allocated to one (1) or more counties shall accrue to the annexing municipality. Any decrease in the revenues from the situs-based taxes identified in subsection (b) shall not affect the amount remitted to the county or counties pursuant to subsection (b) except as otherwise provided in

this subsection. Provided, however, a municipality may petition the Department of Revenue no more often than annually to adjust annexation date revenue as a result of the closure or relocation of a tax producing entity.

(d)(1) It is the responsibility of the county within which the annexed territory lies to certify and to provide to the department of revenue a list of all tax revenue producing entities within the proposed annexation area.

(2) The Department of Revenue shall determine the local share of revenue from each tax listed in this section generated within the annexed territory for the year before the annexation becomes effective, subject to the requirements of subsection (b). This revenue shall be known as the "annexation date revenue".

(3) The Department of Revenue with respect to the revenues described in subdivision (b)(2), and the municipality with respect to the revenues described in subdivision (b)(1), shall annually distribute an amount equal to the annexation date revenue to the county of the annexed territory.

SECTION 25.

Tennessee Code Annotated, Section 13-3-102, is amended by inserting in the first sentence between the words "is" and "more" the language "outside the municipality's urban growth boundary or, if no such boundary exists,".

SECTION 26.

Tennessee Code Annotated, Section 13-3-401(2), is amended by inserting between the words "is" and "more" the language "outside the municipality's urban growth boundary or, if no such boundary exists,".

SECTION 27.

Tennessee Code Annotated, Section 6-1-201(b), is amended by adding the following language as subdivision (1):

If any part of the unincorporated territory proposed for incorporation is within five (5) miles of an existing municipality of one hundred thousand (100,000) or more according to the most recent federal census and if the governing body of

such municipality adopts a resolution by a two-thirds (2/3) vote indicating that the municipality has no desire to annex the territory, such territory may be included in a proposed new municipality. A petition for incorporation shall include a certified copy of such resolution from the affected municipality.

SECTION 28.

Tennessee Code Annotated, Section 6-1-202, is amended by deleting subsection (a) and substituting instead the following:

The county election commission shall hold an election for the purpose of determining whether this charter shall become effective for any municipality or newly incorporating territory upon the petition in writing of at least thirty-three and one-third percent (33 1/3%) of the registered voters of the municipality or territory. The petition shall include a current list of the registered voters who live within the proposed territory. The petition shall state in a sufficient manner the boundaries of the proposed municipal corporation, which may be done by a general reference to the boundaries then existing if there is one. Upon receipt of the petition the county election commission shall examine the petition to determine the validity of the signatures in accordance with Section 2-1-107. The county election commission shall have a period of twenty (20) days to certify whether the petition has the sufficient number of signatures of registered voters. If the petition is sufficient to call for an election on the issue of incorporation, the county election commission shall hold an election, providing options to vote "FOR" or "AGAINST" the incorporation of the new charter, not less than forty-five (45) days nor more than sixty (60) days after the petition is certified. The date of the election shall be set in accordance with Section 2-3-204. The county election commission shall, in addition to all other notices required by law, publish one (1) notice of the election in a newspaper of general circulation within the territory of the municipality or of the proposed municipality, and post the notice in at least three (3) places in the territory.

SECTION 29.

If any provision of this act or the application thereof to any person or circumstance is held invalid, such invalidity shall

not affect other provisions or applications of the act which can be given effect without the invalid provision or application, and to that end the provisions of this act are declared to be severable.

SECTION 30.

This act shall take effect upon becoming a law, the public welfare requiring it.

PASSED: May 1, 1998

APPROVED this 19th day of May 1998

APPENDIX D

Growth Policy Plan Land Allocation

| | <i>Area (Square Miles)</i> | <i>% of Total</i> |
|--|--------------------------------|-----------------------|
| Town of Farragut | | |
| Existing Land Area | 16.214 | 3.08% |
| Urban Growth Boundary | 0.993 | 0.19% |
| Subtotal | 17.207 | 3.27% |
| City of Knoxville | | |
| Existing Land Area | 97.560 | 18.56% |
| Urban Growth Boundary | 47.546 | 9.05% |
| Subtotal | 145.106 | 27.61% |
| Unincorporated Knox County | | |
| Planned Growth Area | 147.408 | 28.05% |
| Rural Area | 215.877 | 41.07% |
| Subtotal | 363.285 | 69.12% |
| County Total (sum of subtotals) | 525.598 | 100.00% |

Knox County Planned Growth Area Broken Down by Category

| | <i>Area (Square Miles)</i> | <i>% of Total</i> |
|---------------------------------------|--------------------------------|-----------------------|
| Developed | 80.229 | 54.43% |
| Vacant with Environmental Constraints | 20.657 | 14.01% |
| Vacant, Unconstrained | 46.522 | 31.56% |
| Total | 147.408 | 100.00% |

NOTES: These figures correspond to the map titled *Growth Policy Plan Map* dated January 12, 2000. Land calculations are based on Tax Assessor's records, current as of January 1, 1998.